English Heritage

Impact of Historic Environment Regeneration

Final Report

1st October 2010

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The views expressed in this report are those of AMION Consulting and Locum Consulting and do not necessarily reflect the views of English Heritage

1 Introduction

1.1 Background to the research

A growing number of studies have sought to value the benefits of heritage. However, these have often tended to focus on specific buildings (for example, cathedrals, churches and historic houses) or high profile historic sites. Whilst important, these only form part of the historic environment, which is a much broader concept encompassing streets, spaces, landscapes, parks and gardens, people's homes and all physical remains of past human activity.

Research on the economic, social and environmental benefits of the historic environment has been relatively limited and often of a qualitative nature. To help address this, English Heritage commissioned AMION Consulting, in association with Locum Consulting and Spirul, to undertake research on the impact of historic environment regeneration. This report presents the research findings.

1.2 Scope of the study

The main aim of the study is to provide an assessment of the impacts that can arise from heritage-led regeneration. The study does not seek to assess the economic value of the historic environment in monetary terms by quantifying the value people place on the conservation of heritage assets.[1] Instead, it focuses on the indirect benefits, such as increased economic activity and improved civic pride.

Where possible, the study has sought to quantify the benefits of historic environment regeneration, drawing principally on the use of case studies. The analysis also includes a number of wider, less tangible benefits that do not have an easily measurable value. Although it has not been possible to quantify the value of such impacts within the scope of this study, evidence is presented from primary survey research to highlight the wider social and environmental benefits.

1.3 Report structure

This report presents the results of the research and continues in four sections as follows:

- Section 2 – defines what is meant by historic environment regeneration, considers its importance, and summarises the approach adopted in this study to assessing its impact;
- Section 3 – assesses the impact of historic environment regeneration in terms of how it influences the nature and role of an area;
- Section 4 – sets out the economic, social and environmental impacts of investing in historic buildings and places, drawing on the results of surveys and consultations; and

[1] For an in-depth review of valuation studies relating to the historic environment see eftec (2005), *Valuation of the Historic Environment*.

- Section 5 – presents the conclusions of the research.

1.4 Approach to the study

The approach to the research comprised the following six stages:

1. scoping stage – an initial inception meeting was held with representatives from English Heritage and the Historic Environment Forum (HEF) to agree the study's requirements and establish a common understanding of the issues to be addressed. This stage also involved a review of the literature on the economic value of the historic environment;
2. selection of case studies – a number of case studies were selected to assess the impact of heritage-led regeneration. These were chosen to represent a range of projects in terms of their geographical location (including urban and rural) and size and type of investment;
3. analytical framework – to assess the information gathered in the study, an analytical framework was developed to collate the varying forms of data in a systematic manner. This included consideration of how to allow for issues in the evaluation of economic impact, such as displacement and additionality;
4. assessment of the role of historic environment areas – existing information for each of the chosen case studies was collated as part of an assessment of the impact that historic environment regeneration has on the nature and role of an area. This has included the analysis of national and regional visitor surveys and the use of Goad databases and maps where available, which are generated by the research company Experian[2];
5. consultations and surveys – consultations were undertaken with individuals involved in the case study projects and face-to-face and telephone surveys were carried out with local residents, workers, visitors and businesses; and
6. economic, social and environmental impact analysis of heritage-led regeneration projects[3] – the results of the consultations, surveys and other research were analysed to assess the additional benefits of a number of case studies. The analysis focused principally on the impact of each case study on employment and business performance, along with a range of social and environmental benefits.

[2] The Goad database is a retail and commercial occupancy database for the UK and Ireland.
[3] Due to the scope of the study, the assessment has not included a quantitative analysis of the environmental benefits, such as carbon savings.

2 The context to the study and its approach

2.1 Introduction

This Section defines what is meant by the historic environment and examines its importance.[4] The Section then sets out the approach used within this report to assess the impact of historic heritage-led regeneration.

2.2 The historic environment and its importance

Planning Policy Statement 5 (PPS5), Planning for the Historic Environment, defines the historic environment as being *"all aspects of the environment resulting from the interaction between people and places through time, including all surviving physical remains of past human activity, whether visible, buried or submerged, and landscaped and planted or managed flora"*. Those components of the historic environment that are identified as meriting consideration in planning decisions are referred to within PPS5 as 'heritage assets'. The term heritage asset can be applied to a wide range of features, including buildings, monuments, landscapes, parks and gardens, sites and areas.[5]

The historic environment is seen as having an essential role to play in helping Government achieve many of its broader goals. It is a potentially powerful driver for economic growth, as well as being identified as an important social and environmental asset. The benefits associated with historic buildings and places are often interrelated, with improvements to an area's image and sense of place helping to generate new economic activity and investment, which in turn can contribute towards enhancing the quality of life for all.

PPS5 recognised that changes to the historic environment are sometimes necessary in order to realise the optimum value of a heritage asset. As well as helping to maximise the economic, social and environmental benefits that can be generated, heritage-led regeneration can also support long-term conservation.

At the local level, the regeneration of the historic environment has a major part to play in realising the economic and wider priorities of local authorities. For instance, improvements to the historic buildings and places can support the regeneration of underperforming areas.[6] This is evident in the investment undertaken at Gloucester Quays, as discussed in Section 4 of this report. Historic buildings also offer an important asset in relation to the creation of commercial and residential space.

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[4] A list of relevant background literature is included at Appendix A.

[5] A heritage asset is defined by PPS5 as *"a building, monument, site, place, area or landscape positively identified as having a degree of significance meriting consideration in planning decisions"*. The Practical Guide that accompanies PPS5 defines the significance of a heritage asset in terms of the sum of its architectural, historic, artistic or archaeological interest.

[6] The role of the heritage as a catalyst for social and economic regeneration is set out in more detail within English Heritage's report on *Regeneration and the Historic Environment* (2005).

Furthermore, local tourism can be enhanced through investment in the historic environment – coastal towns in West Cumbria, for example, whose traditional industries, such as mining, fishing and farming have suffered decline, have developed new visitor economies around their heritage assets.

In the context of the current restraints on the public sector, heritage-led regeneration provides the opportunity to further enhance the role of the voluntary and community sector, along with individual owners and occupiers, thus supporting the Government's emerging Big Society and localism agendas. Not only are historic buildings and places key to retaining local distinctness, they can provide the focus for local community engagement, helping to bring people together and foster a sense of ownership.

A number of studies have assessed the economic impact or value of heritage.[7] According to a report produced on behalf of the Heritage Lottery Fund (HLF), heritage tourism generates in excess of £12.4 billion of expenditure per year, supporting an estimated 195,000 full time equivalent (FTE) jobs.[8] Moreover, there is evidence that people value heritage as a good in itself – for example, a study undertaken by the Nationwide Building Society suggested that people attach a higher value to historic buildings compared to more modern accommodation of an equivalent nature.[9]

2.3 The approach to assessing the impact of historic environment regeneration

2.3.1 Overview of the methodology

The methodology of the research has involved two key strands of assessment:

- how investment in the historic environment affects the nature and role of areas; and
- estimating the economic, social and environmental impacts of heritage-led regeneration.

Each strand of the analytical framework is discussed in turn below (see Section 2.3.2 and Section 2.3.3).

The approach adopted to assess the impact of historic environment regeneration is principally based on the analysis of a set of case studies, chosen by English Heritage and sector stakeholders in consultation with AMION and Locum. The role of the case studies and the basis

[7] A useful summary of quantitative valuation research is the 2005 eftec report, entitled *Valuation of the Historic Environment*.
[8] HLF (2010), *Investing in Success – Heritage and the UK Tourism Economy*
[9] Source: Nationwide Building Society (2003), '*What adds Value*'. Whilst evidence suggests that the historic nature of a building can add value to a property, older properties can also be an important source of cheaper accommodation, particularly in rundown areas. Although their historic nature may add value, the location of older properties (for example, in areas of market failure) and condition can mean they provide a relatively inexpensive form of accommodation. This in turn can help to stimulate regeneration, attracting people and investment to areas of deprivation.

upon which they have been selected is explained within Section 2.3.4. A full description of each case study is contained within Appendix B.

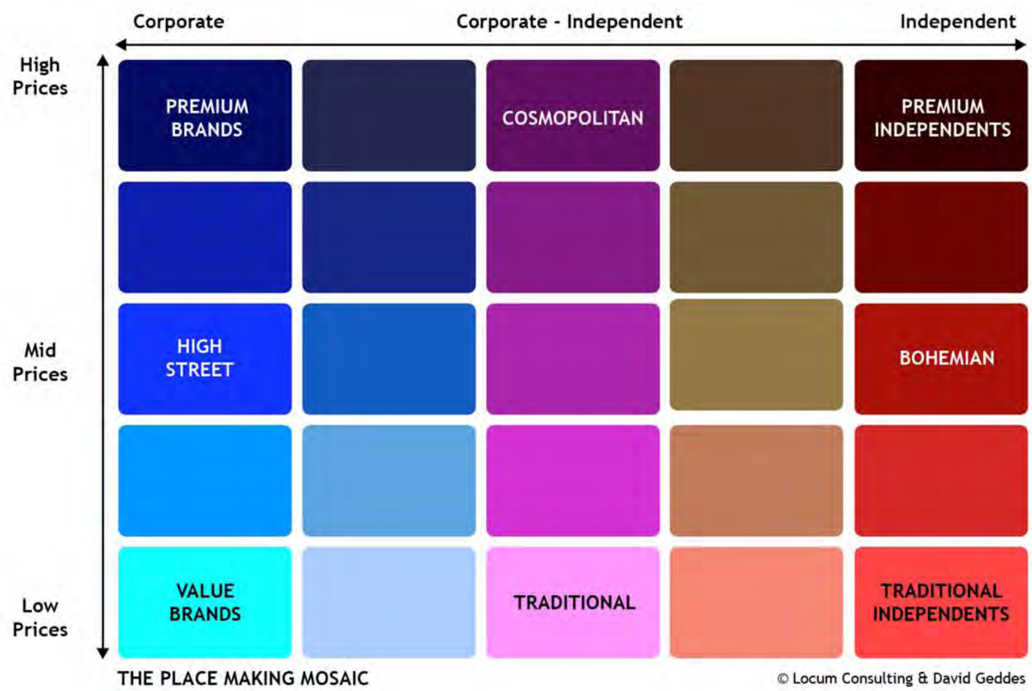
2.3.2 Impact on an area's nature and role

This component of the analysis was based on a review of existing data sources and research in order to assess the effect of historic buildings and places on the type of commercial and other activity in areas which have had investment in their heritage. The assessment has sought to examine how areas dominated by heritage assets differ from other areas in terms of their nature and role.

As part of the assessment, the popularity of towns and cities with extensive historic environments has been explored. A range of examples have been reviewed to illustrate the characteristics of popular areas known for their heritage, and how the historic environment has contributed to this popularity. This has included an analysis of the type of 'experience' provided by historic places, to see if there is commonality in terms of the type of commercial activity that exists in these areas.

In order to assess whether such a 'clustering' effect exists, a framework, developed by Locum, has been applied to compare some of England's best known historic environments. This 'mosaic' framework enables places to be grouped according to whether the experience within these destinations is dominated by corporations or independents and whether businesses compete in terms of price or quality (see Figure 2.1). Section 3.3 sets out further details on the framework and its application.

Figure 2.1: The Place Making Mosaic



The impact of the historic environment on the commercial and other activity that takes place in an area has been explored in more detail for a selection of case studies. This has involved using the mosaic framework to examine the nature of activity within areas that have benefited from investment in their heritage assets and how this differs from elsewhere.

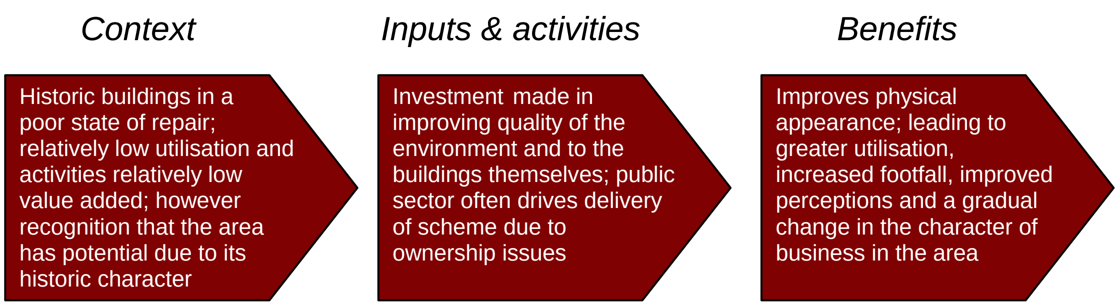
In addition, property data has been obtained using the Goad database and maps. These show the commercial uses of individual properties in towns and cities and have been used to help inform how the nature of businesses within the case study areas has evolved, due to the regeneration of the historic environment. The use of Goad mapping has been supported by further secondary source data on the nature of occupiers, where appropriate (for example, the Focus database).

The impact of heritage-led regeneration as assessed through this component of the analytical framework is set out within Section 3.

2.3.3 *Estimating economic, social and environmental impacts*

Figure 2.2 illustrates how investing in the historic environment has an impact on economic activity and community perceptions.

Figure 2.2: How investing in the historic environment benefits economic activity and perceptions



Three key considerations in estimating the extent of these impacts are:

- *the area of impact* – with any intervention, different levels of impact will arise at local and wider spatial areas. It is therefore important to be clear on what is considered as the relevant area of impact. This will depend on the objectives of the project and the problems it is seeking to address.

  A key part of heritage-led regeneration is improving the appearance and function of a local area that has suffered from deterioration and neglect. Although there can be spill-over effects into adjoining areas, the analytical framework is focused on the impact at the local level;

- *the selection of impacts to be assessed* – given that historic environment regeneration often involves improvements to public spaces as well as commercial buildings and visitor attractions, interventions are likely to result in a wide range of economic, social and environmental benefits. The analytical framework therefore takes account of the need to examine both tangible impacts, such as business growth, and less easily measurable effects, such as an increased sense of place; and

- *additionality* – improvements to the historic buildings and/or places often form part of a larger scheme, which may also involve the provision of new commercial space or marketing activity. Consequently, within the analytical framework consideration is given to the extent to which benefits can be attributed specifically to heritage-led regeneration, as well as whether it has resulted in any adverse effects. The assessment therefore includes, for instance, additional turnover and jobs generated because an area attracts new customers as a result of investment in the historic environment. **However, where benefits, such as new jobs accommodated, would have been achieved even without improvements to the historic environment then these have been excluded.**

The research has assessed economic, social and environmental impacts based on consultations with individuals involved in the case study projects, surveys and secondary source information (the full details of the research methodology are set out in the technical appendix).

For all of the case studies reviewed as part of this research (see Section 2.3.4 and Appendix B), key individuals who were involved or have knowledge of the respective interventions were consulted. Where feasible, this took the form of a structured questionnaire, completed by the people involved with the project, exploring the rationale for why the investment was made, what was done and what they think the impact was, specifically in relation to the improvement to the historic environment.

In addition, for five case study sites, an 'on-street' survey, targeted at local residents, workers and visitors, and a business survey of local firms was undertaken. The surveys were carried out between 22nd April and 5th May 2010 by the survey company Spirul.

In total, the 'on-street' survey involved face-to-face interviews with around 1,000 people (approximately 200 people per case study area). The survey asked questions on individual's perceptions of the project, its impact on the local area and the extent to which the project has influenced their behaviour, principally in relation to their spending patterns.

The business survey combined the use of face-to-face and telephone interviews to question over 120 firms (approximately 25 businesses per case study area) in relation to the impact of the case study project on their business and the local area. The survey focused on businesses within the immediate locality of each project and sought to determine whether improvements to the historic environment have had a positive impact on their performance.

The impact of heritage as assessed through this component of the analytical framework is set out within Section 4.

2.3.4 Selection of case studies

In total, 16 case studies have been reviewed, in varying levels of detail, as part of this research. In selecting these, consideration was given to the need to reflect the diverse nature of heritage-led regeneration, both in terms of the form of intervention and the context in which it takes place. The case studies selected therefore represent a mix of projects covering:

- a geographical spread across the country;

- both urban and rural investments;
- different sizes of scheme, including varying levels of public sector intervention;
- different types of scheme, from public realm improvements to the creation of new commercial space; and
- a mix of public-led and private-led schemes.

As outlined in Table 2.4, individual case studies have been used to support different parts of the analysis.

Table 2.4: Selected case studies

Assessment strand	Focus of assessment	Selected case studies
Impact on an area's role (see Section 3)	Nature of and activity in the area	Newburgh Street, London New Road, Brighton Quayside Barbican, Plymouth Regent Quarter, London Staircase House & Covered Market (Market & Underbanks area), Stockport
Economic, social & environmental benefits (see Section 4)	Economic benefits (see Section 4.2)	Aylsham Heritage Economic Regeneration Scheme (HERS), Norfolk Regent Quarter, London Sheffield Cultural Industries Quarter (CIQ) Townscape Heritage Initiative (THI), Sheffield Staircase House & Covered Market, Stockport Stourport Canal Basins, Stourport-on-Severn
	Social & environmental benefits (see Section 4.3)	Albert Dock, Liverpool Aylsham HERS, Norfolk Cromford Mill, Derbyshire Curson Lodge, Ipswich East Lindsey HERS, Lincolnshire Fort Dunlop, Birmingham Gloucester Quays, Gloucester North Shields Fish Quay, North Tyneside Regent Quarter, London Sheffield CIQ THI, Sheffield Staircase House & Covered Market, Stockport Stourport Canal Basins, Stourport-on-Severn West Auckland Partnership Schemes in Conservation Areas (PSiCA), County Durham

The assessment of the impact on an area's role (see Section 3) has focused on five of the case studies, in order that they can be explored in detail. The case studies chosen are in areas large enough to compare how activity in various parts of the town/city centre differs depending on the extent of the historic environment.

It has only been feasible to undertake primary survey research, in the form of an 'on-street' and business survey, for five of the case studies (see selected case studies in relation to economic benefits in Table 2.4). Not all of these are the same as the five case studies used for the assessment of the impact on an area's role.

The selection of the case studies for which to carry out primary survey research was based on discussions with English Heritage and sector stakeholders, with input from the survey team. Consideration was given to ensuring that the selected case studies both represented a diverse mix of historic environments and that sufficient businesses and local residents, workers and visitors would be accessible to survey. The economic benefits of heritage-led regeneration have been assessed for the five case study areas for which primary survey research has been undertaken (see Section 4.2).

The assessment of the social and environmental benefits (see Section 4.3) has been informed by the results of the 'on-street' and business surveys, as well as the consultations with project contacts. This provided information in relation to social and environmental benefits for 13 of the 16 case studies.

3 The role historic environments play in the economic and social life of towns and cities

3.1 Introduction

This Section analyses the influence of the historic environment in towns and cities on the commercial and other activity that takes place, and the way in which investment can affect this.

It looks first at evidence of the correlation between the overall popularity of places as destinations and the extent to which they have historic buildings.

It then examines historic areas of five towns and cities of differing nature. Each case study assesses the spread of commercial activity across the town/city centre and how areas dominated by heritage assets differ from those that are not. Each case study then looks at the effect of an investment in that context.

3.2 The popularity of towns and cities with extensive historic environments

Primary research studies have found evidence of a positive correlation between the number and nature of heritage assets in places and their image and appeal as destinations. The Northwest Regional Development Agency (NWDA), for example, commissioned a survey that, over 12 months from April 2009 to March 2010, interviewed about 35,000 people nationally via an online panel.[10] It was weighted to be representative of the national population in terms of location of residence and age.

Respondents were asked to rate destinations in terms of whether they were 'my kind of place' for a day out[11]. Each respondent was given a list of 20 towns and cities to rate from an overall list of about 400. About 1,000 ratings were achieved for each of the 400 places on the list. Seaside towns and rural destinations are popular, but the top of the list of most popular places for a day out is dominated by places known for their heritage[12] (see Table 3.1).

[10] A research process where people agree to answer questions sent to them by email.
[11] This is only, of course, one dimension of 'popularity' but one that is likely to correlate with popularity on other dimensions such as place to study or place to work.
[12] All have a medieval cathedral, abbey or castle as a centrepiece.

Table 3.1: % rating destination as 'My Kind of Place' for a Day Out

1	London	59%	21	Scarborough	32%	41	Glasgow	26%
2	**Edinburgh**	**56%**	22	Keswick	32%	42	Paignton	26%
3	**York**	**55%**	23	Coniston	32%	43	Glastonbury	26%
4	Isle Of Wight	49%	24	Ullswater	32%	44	Bodmin	26%
5	**Stratford-u-Avon**	**46%**	25	Weymouth	29%	45	Portsmouth	26%
6	Windermere	45%	26	Ambleside	29%	46	Great Yarmouth	26%
7	**Bath**	**45%**	27	Manchester	29%	47	Cardiff	26%
8	**Oxford**	**41%**	**28**	**Warwick**	**29%**	48	Liverpool	26%
9	Brighton	41%	29	Poole	29%	49	Torbay	26%
10	**Windsor**	**41%**	30	Whitley Bay	29%	50	Llandudno	25%
11	Penzance	39%	31	Fort William	29%	**51**	**Durham**	**25%**
12	**Chester**	**38%**	**32**	**Salisbury**	**29%**	52	Hastings	25%
13	**Canterbury**	**38%**	33	Truro	29%	**53**	**Arundel**	**24%**
14	Newquay	38%	34	Anglesey	28%	54	Bristol	24%
15	St Ives	38%	35	Plymouth	28%	**55**	**Buxton**	**24%**
16	Whitby	37%	36	Blackpool	28%	**56**	**Malvern**	**24%**
17	Cheddar	35%	**37**	**Winchester**	**27%**	57	Exmouth	24%
18	Kendal	35%	38	Dartmouth	27%	58	Ilfracombe	24%
19	Bournemouth	35%	39	Bude	26%	**59**	**Harrogate**	**24%**
20	Torquay	34%	40	Inverness	26%	60	Newcastle	24%

Note: Those places known for their heritage are marked in bold

Comparing the position of different places shows the extent to which the scale and nature of heritage affects their desirability as a place to take a day trip. York is seen by the public as being the most enticing destination in England other than London. The proportion of respondents rating Edinburgh as 'my kind of place' for a day out is more than twice that of Glasgow. Chester is considerably ahead of both Liverpool and Manchester.

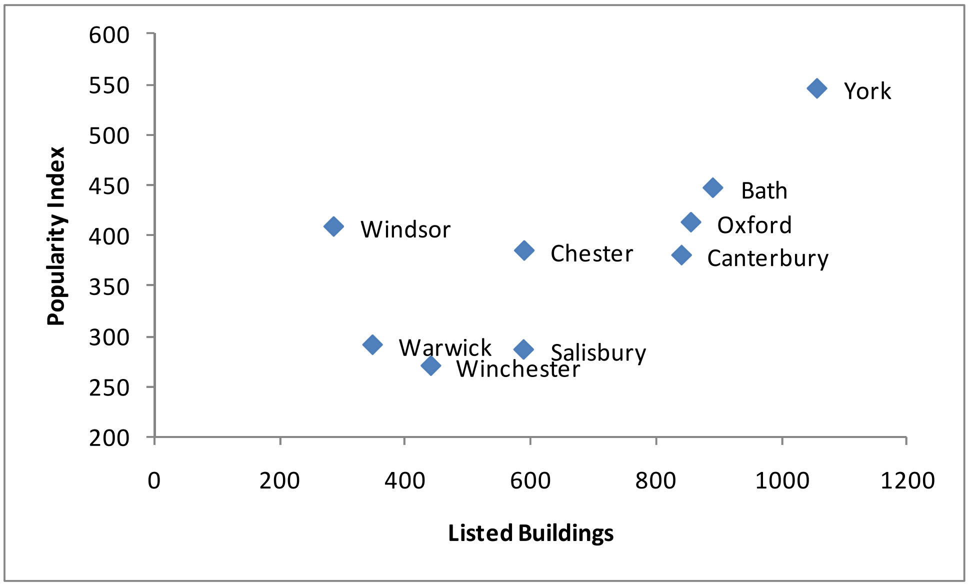
The presence and nature of heritage assets is probably what makes places like Scarborough and Whitby the most highly ranked resorts. Brighton, which has about 560 listed buildings in its central area and, as shown in the case study below, has made use of them to create attractive visitor environments, is much higher up the list than Blackpool, which has about 22 listed buildings.

There is a direct relationship between the number of listed buildings in cities of similar type and their popularity as places to take a day trip. Figure 3.1 shows the cities known for their heritage ('heritage cities') that had the highest ratings for 'my kind of place' for a day out[13]. The percentage rating they were given by respondents to the survey has been translated into a 'popularity index' on a scale of 1-1000, and plotted against the number of listed buildings. With the exception of Windsor and Warwick, both of which are dominated as destinations by their castles, which are major landmark attractions, there is a direct correlation between the two variables. The correlation coefficient[14] is 0.71 (out of 1).

[13] Cambridge was accidentally omitted from the list given to respondents and would probably otherwise appear.

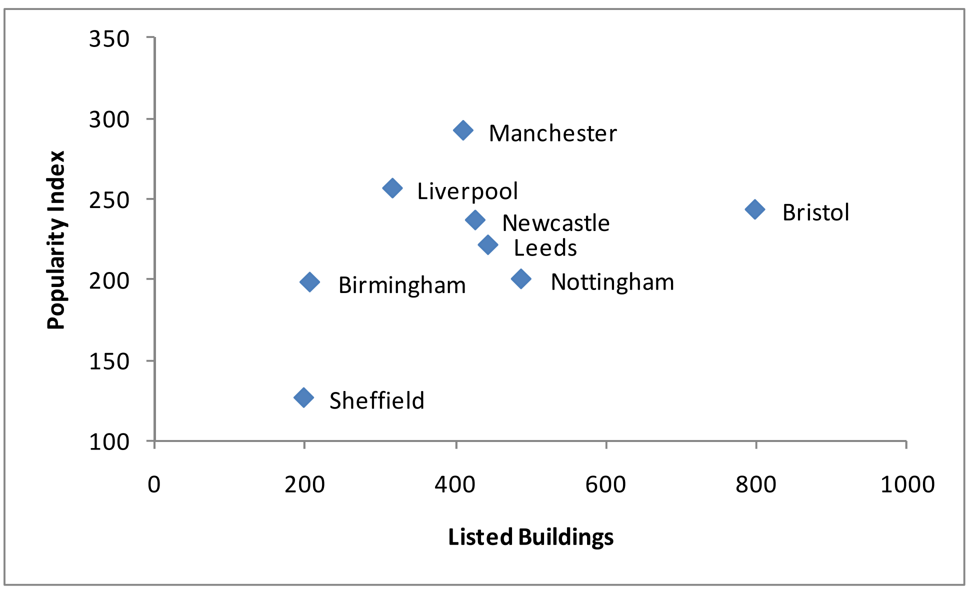
[14] The extent to which one variable varies in line with another. A correlation of 1 means that variable A varies in exact proportion to variable B. A correlation of 0 means that there is no relationship at all. An inverse correlation, shown as a negative figure, shows that one variable goes up as the other goes down.

Figure 3.1: Relationship between heritage and popularity for the heritage cities



A similar picture (see Figure 3.2) albeit to a lesser extent, emerges when correlating the number of listed buildings and the 'popularity index' of England's eight largest regional cities, the so-called 'Core Cities'. The correlation coefficient is 0.44, which is relatively high.

Figure 3.2: Relationship between heritage and popularity for the Core Cities



Bristol's ranking in this analysis would appear to be inconsistent because it has many more listed buildings than the others but only comes third in the popularity list. Bristol has been one of the major English cities continuously since Norman times and has large concentrations of listed buildings in its inner city suburbs like Clifton. Its medieval city centre was, however, almost totally destroyed in 1940, so it may not be perceived as a heritage city in the way that nearby Bath is. The fact that it does, nevertheless, have so many listed buildings, and that they are of an older vintage than in the northern cities, is likely to partially explain why it comes notably higher in the popularity table than larger rivals.

The actual visiting patterns of people are influenced by many factors other than a destination's intrinsic appeal. For example, people may be attracted to events or by the presence of friends and relatives. There is, nevertheless, a strong correlation between the number and nature of heritage assets in places and the extent to which they are visited. The NWDA research also asked people whether they had been to the destinations for a leisure trip (either a holiday/short break or day trip) in the past two years. As Table 3.2 shows, the top 60 contains a significant number of places known for their heritage and, again, those places which have considerable remaining heritage are comparatively more likely to have been visited than equivalent places with less.

Table 3.2: % of people saying they had visited the destination for a leisure trip in past 2 years

1	London	41%	21	Plymouth	8%	41	Great Yarmouth	7%
2	Brighton	17%	22	Cardiff	8%	42	Fort William	6%
3	**York**	**15%**	23	Nottingham	8%	43	Poole	6%
4	**Edinburgh**	**15%**	24	Whitby	8%	44	Lincoln	**6%**
5	**Oxford**	**14%**	25	Llandudno	8%	45	Dartmouth	6%
6	**Bath**	**11%**	26	St Ives	8%	46	Reading	6%
7	Portsmouth	11%	27	Norwich	8%	47	Dumfries	6%
8	**Windsor**	**11%**	28	Southampton	8%	48	Southend-On-Sea	6%
9	Newcastle	11%	29	Taunton	8%	49	St. Andrews	**6%**
10	Bristol	11%	30	Gloucester	8%	50	Paignton	6%
11	Bournemouth	11%	31	Dover	7%	51	Winchester	**6%**
12	Glasgow	10%	32	Derby	7%	52	Sheffield	6%
13	**Warwick**	**10%**	33	**Harrogate**	**7%**	53	Falmouth	6%
14	Birmingham	10%	34	**Richmond**	**7%**	54	Skipton	6%
15	Newquay	10%	35	**Matlock**	**7%**	55	Loch Lomond	6%
16	**Stratford-u-Avon**	**9%**	36	Torquay	7%	56	Exmouth	6%
17	Weymouth	9%	37	**Shrewsbury**	**7%**	57	Tewkesbury	**6%**
18	Scarborough	9%	38	**Canterbury**	**7%**	58	Bangor	6%
19	Leeds	9%	39	Exeter	7%	59	Eastbourne	6%
20	**Cheltenham**	**8%**	40	Skegness	7%	60	Worcester	6%

Note: Those places known for their heritage are marked in bold

3.3 Historic environments in the urban fabric – the 'mosaic' effect

The extent to which heritage assets dominate the built environment is likely to have a significant impact on the overall appeal of a town or city.

A closer look at the cities that are the most popular as day visit destinations suggests that their popularity is because a large part of the mainstream retail and leisure activity takes place in historic environments. That is a defining characteristic of cities like York, Chester, and Bath (as well as of smaller historic market towns such as Aylsham, examined elsewhere in this report). In most other cities and large towns, as the case studies will show, the high street retail offer is in a modern development with relatively limited influence from the historic environment. This is because historic buildings are often not able to provide the size of retail space that modern retailers demand.

Historic towns and cities have had to find ways of integrating modern shopping spaces into the historic environment. Chester's modern Grosvenor shopping centre is, for example, largely hidden by classic Rows façades.

Recent shopping developments, like Whitefriars in Canterbury, Princeshay in Exeter and arc in Bury St Edmunds, are carefully integrated into the historic street pattern and respect the local vernacular.

These circumstances are not, however, typical. Other major new shopping centres, like Liverpool One and Cabot Circus in Bristol, follow the same principle of being largely open air and creating a new street pattern. They make features of the heritage assets that exist, but their style is firmly modern.

Such developments often combine their highest value tenants with heritage assets. The 'luxury' shops in Cabot Circus, including Harvey Nichols, overlook Quakers Friars, one of Bristol's most historic buildings, which has been restored as an up market restaurant and made the central feature of a piazza. The top of range fashion shops in Liverpool One are located in the listed Keys building. The smartest designer fashion shops in Leeds are in restored Victorian arcade now called the Victoria Quarter. The developers have concluded that the heritage assets provide an opportunity to create an ambience that attracts the highest value tenants. The same phenomenon can be seen with office and residential development, as the Regent Quarter case study examined in this report shows (see Section 3.5).

Figure 3.3: Victoria Quarter, Leeds. Self-proclaimed 'Knightsbridge of the North"

All of these examples suggest that, even when they are located in the middle of modern developments, heritage assets can be used to create added value. This is for the simple reason that people like them and the ambience they create.

As the case studies below show, however, historic environments are, more usually, separate from the main commercial core and their effects are more subtle. Of perhaps the most significance, they tend to nurture types of commercial and other activity that might not otherwise take place. This phenomena is explored in this section.

Locum has developed a framework, the Place Making Mosaic (see Figure 3.4), by which destination experiences, including the experiences offered by different parts of a town or city, can be plotted to demonstrate the way in which commercial and other types of activity of different type tends to 'cluster' in different parts of towns and cities and how historic environments impact on this clustering. These groupings are as follows:

- towards the **left** of the framework model are experiences **dominated by corporations**. The experience – shops, restaurants etc – is primarily branded chains and the property tends to be owned by larger property companies and financial institutions;
- towards the **right** of the model are experiences **dominated by independents** – the experience is dominated by locally owned businesses and or non-commercial activities like museums and other cultural facilities. The property tends to have multiple owners, and to be owned by relatively small companies, many of which are local;
- towards the **top** of the model are experiences **dominated by businesses that tend to compete on quality rather than price** ('up market' businesses); and
- Towards the bottom of the model are experiences **dominated by value-orientated businesses**. Price is a big factor in the way that they position themselves.

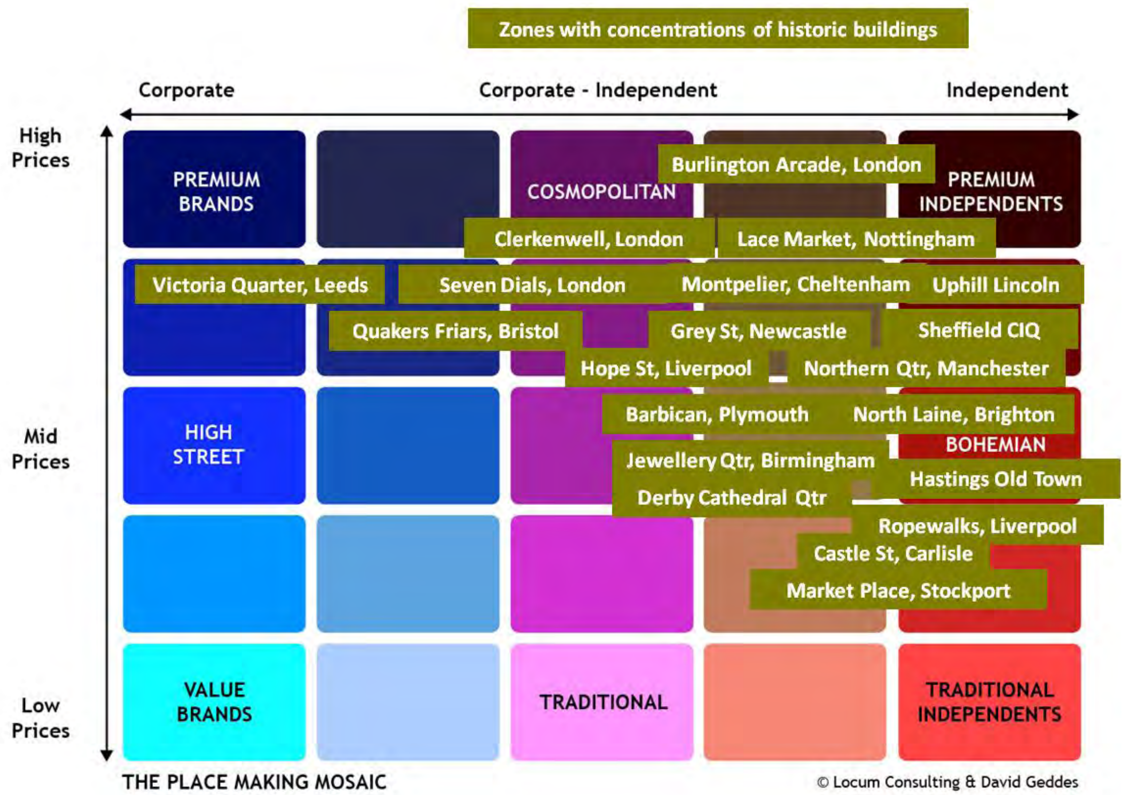
The centre of the framework represents experiences that mix corporate and non-corporate and businesses operating in the mid market.

The model has been shaded with brand orientated experiences in blue, independent experiences in red and mixed brand and independent orientated areas in purple. 'Premium' areas are dark shaded and 'Value' orientated areas are light shaded.

Figure 3.4 plots a range of England's best known historic environments in towns and cities, all of which have been the subject of investment in both the public realm and the buildings, onto the framework[15]. This shows the niches they occupy – either predominantly occupied by independent businesses or by multiples at the top end of the market. They are very different in nature: London's Clerkenwell, for example, has an extraordinary concentration of architects, Nottingham's Lace Market has a concentration of professionals, Cheltenham's Montpelier is full of shops that specialise in interiors. They are, however, alike in that they have economic activity that is different from other parts of the town/city they are located in and is dominated by occupiers that are not commonly seen elsewhere.

[15] The plotting and commentary is based on personal experience of the zones and not an analysis of specific data on business use.

Figure 3.4: Locations plotted on the Place Making Mosaic



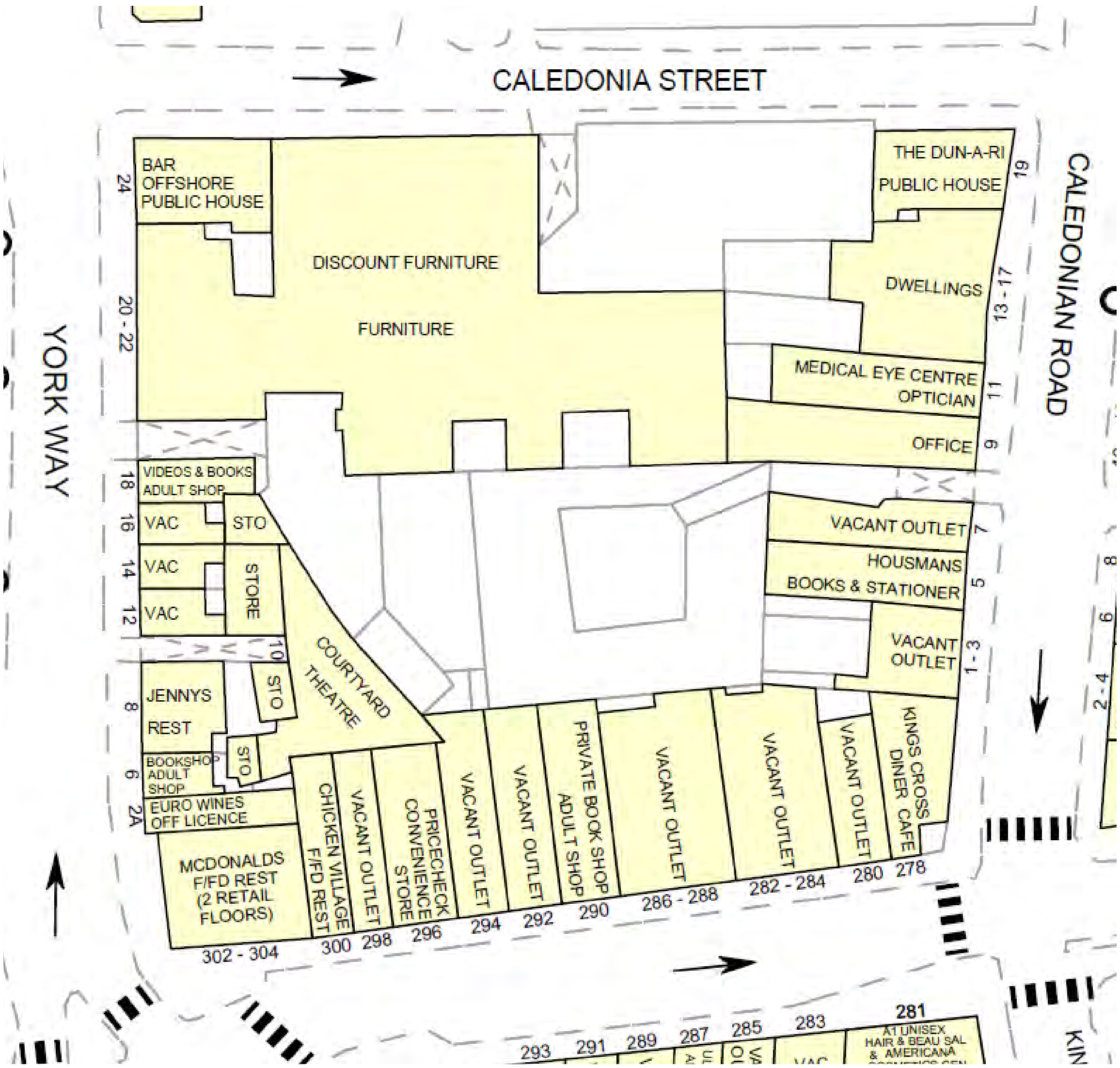
The following case studies use this framework to assess the situation in more detail in a selection of towns and cities – London's Regent's Quarter and West End, Brighton, Plymouth, and Stockport.

3.4 Case study: Regent Quarter, Kings Cross

This development, adjacent to Kings Cross station, illustrates how historic buildings can be used, in conjunction with modern buildings, to create attractive commercial environments in towns and cities.

The Regent Quarter is a mixed use development that combined new build with refurbished Victorian commercial buildings and a former varnishing works. Much of the space was vacant by 2001 (see Figure 3.5) and it was one of the main reasons the area has a poor reputation. There were three adult bookshops on the main Pentonville Road and York Way facades.

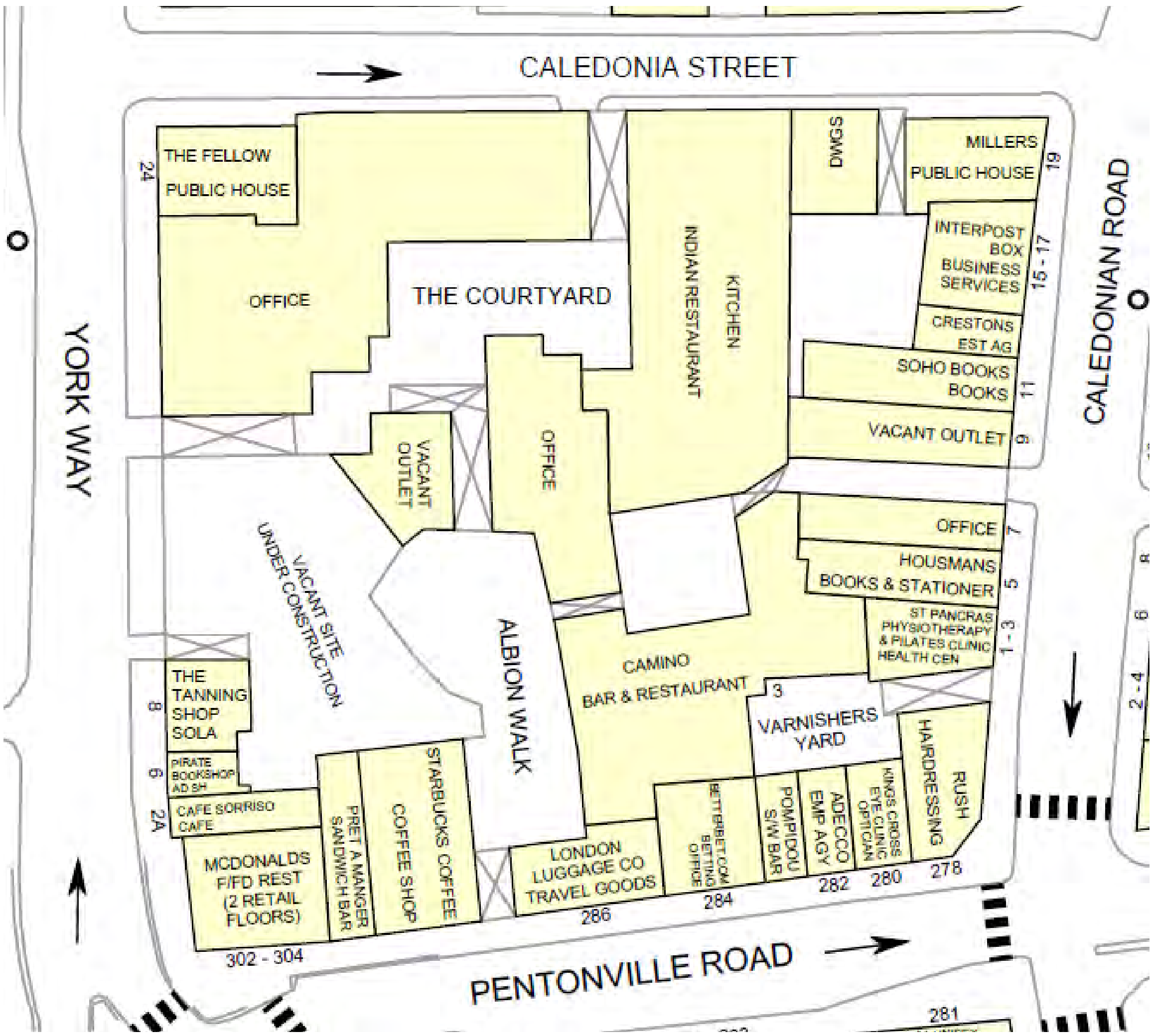
Figure 3.5: Regent Quarter before redevelopment in 2001



The development, covering 5.8 acres, has 19,500 sq m of offices, 9,100 of retail, restaurant and leisure space, together with 98 residential units and a 277-bed hotel (in new build, north of Caledonia Street). The refurbishment of the buildings on the main street frontages created modern retail spaces that have largely been let to regional and national multiples that operate from relatively small units, a mixture of retail, services and quick service food and beverage. A theatre is being built in the area marked 'Under Construction'(see Figure 3.6).

The interior of the development is different. Office accommodation has been created, with independent bars and restaurants, framed by the historic structures at ground floor, providing a distinctive 'oasis' ambience that is characteristic of historic environments. Most of the space is let. Major office occupiers include Eurostar, who have 2,444 sq m (26,307 sq ft). The Focus database says that it was marketed at £35/sq ft.[16]

Figure 3.6: The Regent's Quarter after development



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Photos of the Regent Quarter following development are shown in Figure 3.7 and Figure 3.8.

[16] Focus is a database provided by the information services company CoStar. It provides information – size, owner, occupiers, length of lease, rentals, rateable value.

Figure 3.7: Regent Quarter from SW and NE corners

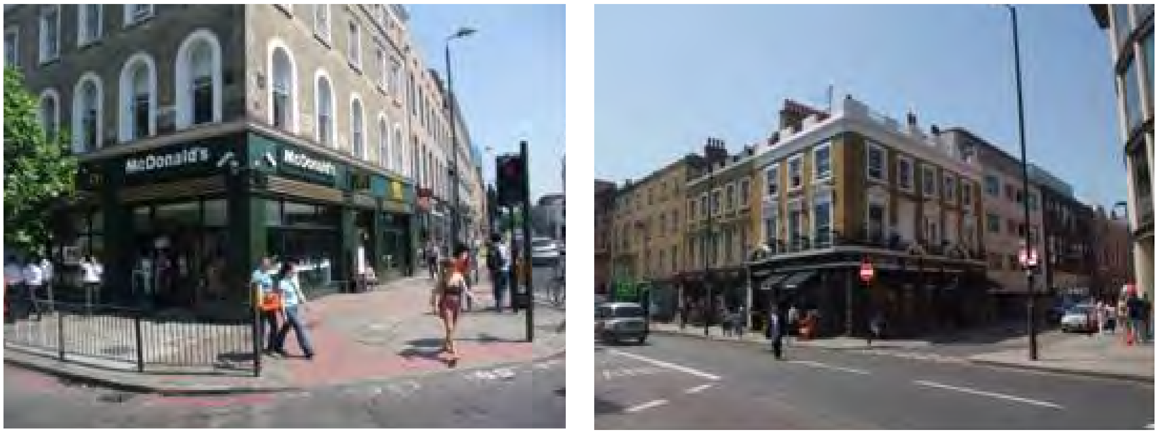
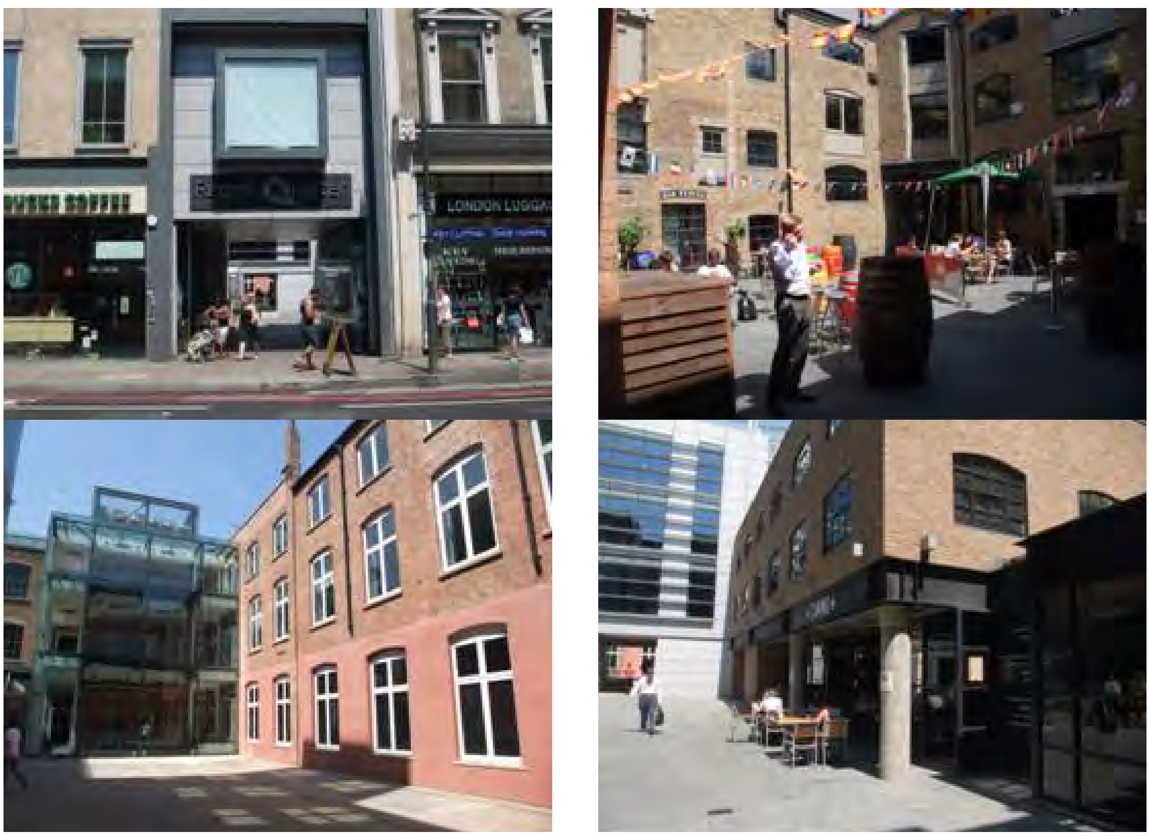


Figure 3.8: Entrance to and interior of Regent Quarter



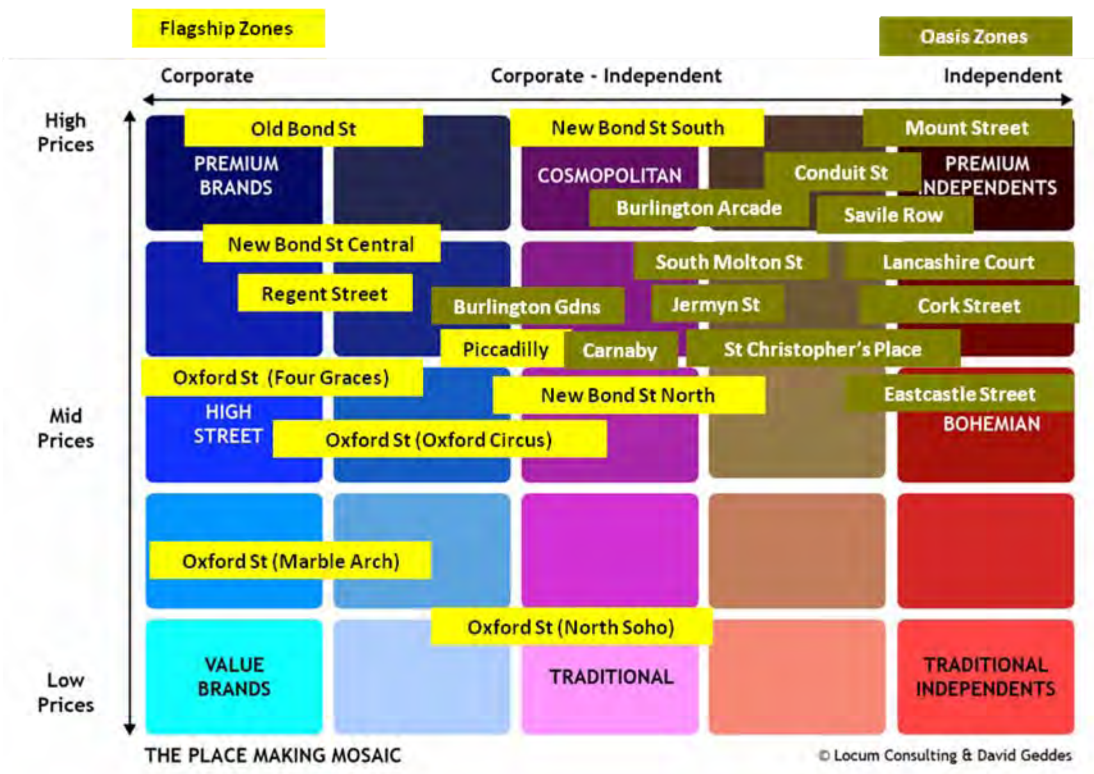
This example is representative of a situation where historic environments add value in a city centre environment by creating modern spaces that are given additional character by the historic buildings. It shows that development that uses heritage assets to create modern space can attract occupants who are prepared to pay a premium for the distinctiveness that historic environments deliver.

3.5 Case study: London West End/Newburgh Street

London's West End is one of the most successful retail and leisure destinations in the world. This section shows the role that historic environments play in nurturing the West End's diversity of economic activity, and how developers have shrewdly used historic buildings and places to create economic value added.

The mosaic model has been used in Figure 3.9 to create a perceptual 'map' of the character of zones in the West End where activities of different type have grouped.

Figure 3.9: Clusters of retail and leisure experiences in London West End



There are three main 'high street' shopping streets in the West End – Oxford Street, Regent Street and Bond Street. With the exception of a middle section of Bond Street, almost all of the shop units on those streets are occupied by national and international multiples. There are no cultural or entertainment uses, only one pub, and few food and beverage outlets, most of them located on the eastern and western extremities of Oxford Street (even chain coffee shops are largely absent from Oxford Street itself).

The situation adjoining these main 'flagship' streets is different, however. There are numerous pockets of shops, most of which are either unique or part of 'niche' chains. They include concentrations of art galleries (Cork Street), fashion designers (Conduit Street) and bespoke tailoring (Savile Row). Restaurants and bars mix with the shops in these areas. They have a more leisured ambience than the flagship streets and, therefore, can be called 'oases'.

The areas with the most unique shops and restaurants are where there are more confined spaces and character that is formed by the historic environment. The emergence of several areas like this – for example St Christopher's Place, Carnaby, Lancashire Court, Heddon Street and Oxford Market – adjoining the main streets has been a major feature of the development of the retail and leisure offer in the West End in the past decade.

All of these areas have certain characteristics – they are located amidst listed buildings, they are dominated by independent retailers and/or niche brands that are not found on normal high streets, and they have restaurants and bars with outside seating, which are used to create a sociable environment.

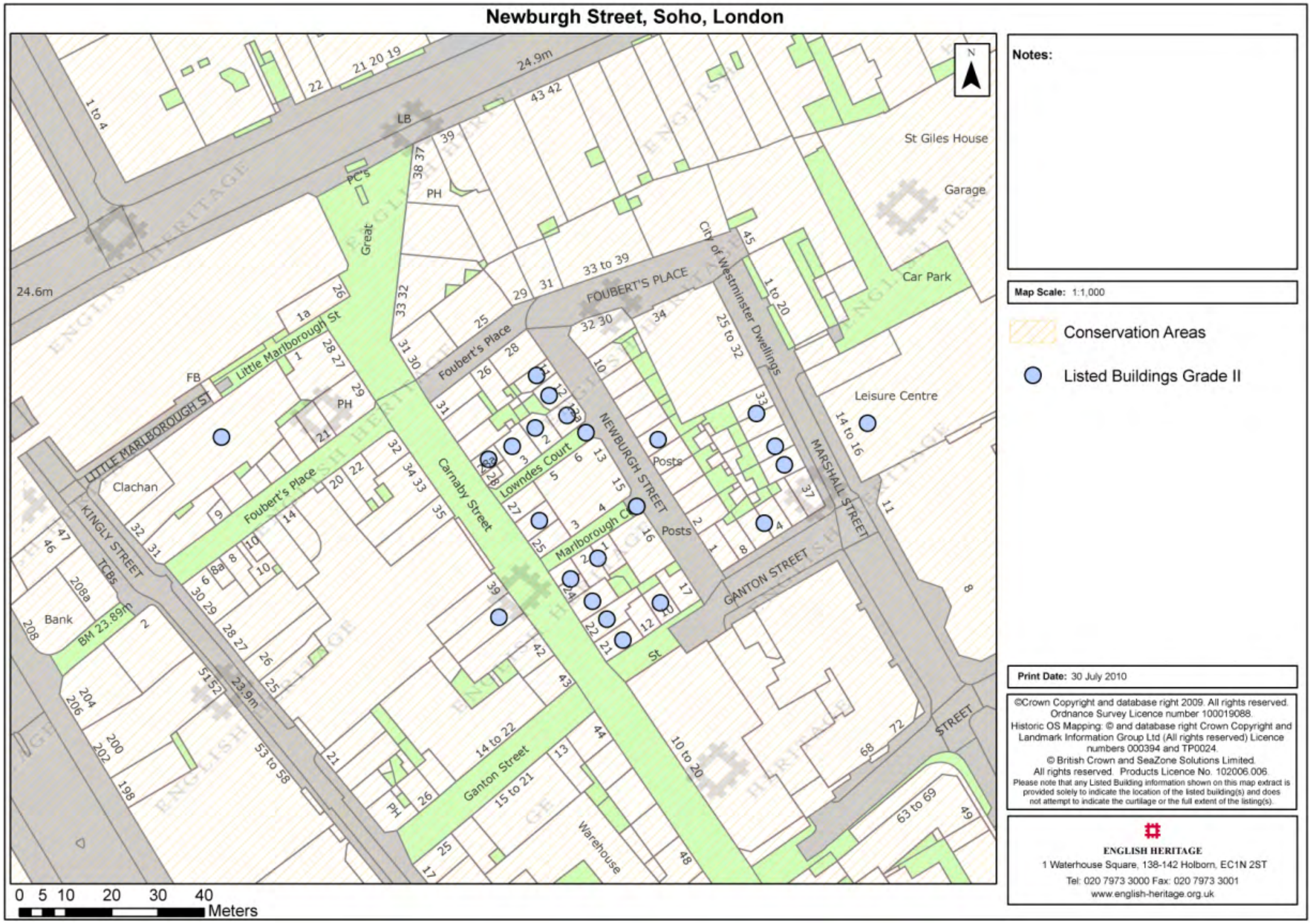
Newburgh Street, which is a small street lined with historic buildings running parallel to Carnaby Street, is an example of one of these 'oasis' areas. Its regeneration was led by the private sector, in the form of the developer Shaftesbury plc. Shaftesbury's strategy is to buy property in zones that are dominated by historic townscapes and then to transform those zones. They started, in 1986, buying property in the area north of Covent Garden, which they branded Seven Dials and transformed into a fashionable city quarter.

Shaftesbury used a similar approach to regenerate the Carnaby area, where they bought property from the Carnaby Estate in the late 1990s. They built an anchor development called Kingly Court (see Figure 3.10), which is built into the middle of a city block, showing how it is possible to create attractive modern commercial space in a constrained heritage townscape.

Figure 3.10: Kingly Court, Carnaby

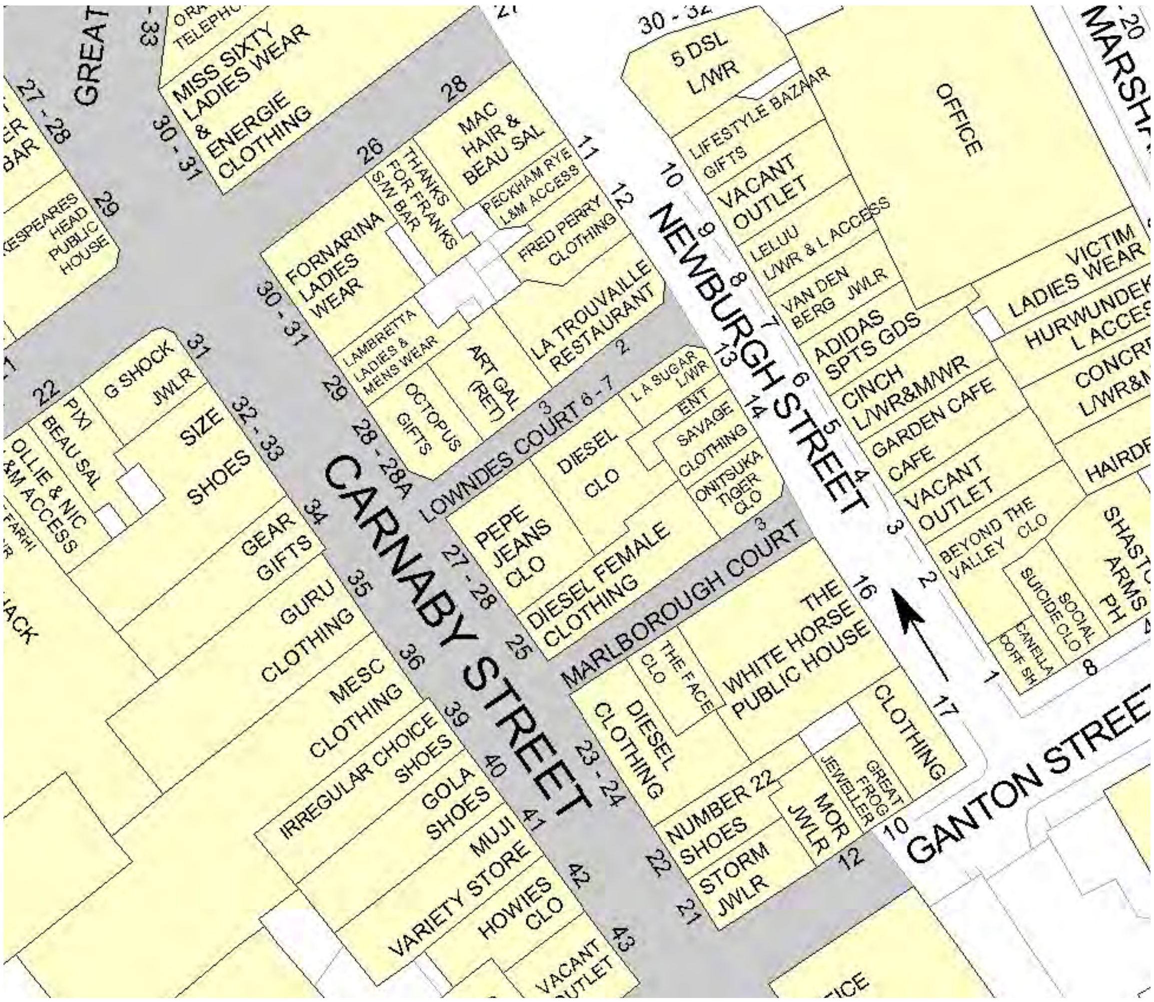
Newburgh Street is a row of small Georgian shops to the north east of Carnaby Street that Shaftesbury has also regenerated and promotes as 'The Newburgh Quarter'. It is a small example of the many 'oasis' areas in the West End. The area includes a cluster of listed buildings (see Figure 3.11).

Figure 3.11: Listed buildings around Newburgh Street



As can be seen in Figure 3.12, which shows ground floor occupiers, the street has attracted independent fashion designers. A restaurant and pub, both with outdoor seating, provide the leisure dimension and creates a relaxed, communal environment for residents and workers in the area to socialise. The upper floors have been refurbished and are used for offices. The atmosphere is created by the 'human' scale and historic nature of the environment (see Figure 3.13).

Figure 3.12: Occupiers of Carnaby Street and Newburgh Street



The success of Shaftesbury's strategy appears to be reflected in rents on Newburgh Street[17], which seem to be rising fast despite the recession. The rents for three shops that had new occupiers with five year leases in both 2004/5 and 2009/10 are recorded: they show rent increases of 24%, 53% and 78% respectively for the new occupiers.

[17] From Focus, a database provided by the information services company CoStar. It provides information - size, owner, occupiers, length of lease, rentals, rateable value - about individual properties in town and city centres. The records are far from comprehensive. Of 14 properties with Newburgh Street numbers, there is, for example, information on occupiers for 9 and on ground floor rentals for 6. Nevertheless, they allow some quantitative assessment of what has happened.

Figure 3.13: Newburgh Street

The offices on Newburgh Street are occupied by small businesses (see Table 3.3). The leases are all for five years and the recorded rents are relatively, but not exceptionally, low for the West End, varying between about £35 and £40 per square foot. Property agents assert that one of the useful functions that historic buildings provide is office accommodation for small businesses, sometimes in start-up phases, on flexible and cost effective terms. This seems to be the case on Newburgh Street.

Table 3.3: Office occupiers on Newburgh Street as reported in Focus

Occupier	*Staff (if recorded)*
Naomi Russell and Partners	
Devonshire Partners Recruitment Consultants	5
Merchant Place Corporate Finance	
Maine Road Publishing	
Roundhouse Films	6
Image Creative	3
Dench Arnold Literary Agents	8
J Gurnett Personal Management Ltd	2
Dye Holloway Murray Advertising Agencies	14
Contagious Films TV, Film & Video Production Services	
Paul Weiland Film Co Ltd TV, Film & Video Production Services	10

Shaftesbury's formula on Newburgh Street, as in the other parts of the West End where they work, is to create a brand for a zone, market it, and make interventions in the public realm that creates sense of place. They work in partnership with the local authority in managing the area. Westminster Council does the street cleaning, for example, but Shaftesbury also employs top up cleaners, working 24 hours and day.

This example shows why historic buildings and places are of economic and social significance in town/city centres. They nurture a commercial and leisure environment that is different in character and has different types of occupiers from main 'high street' areas. As the examples below show, other towns and cities also have differentiation between the streets and sections where the main multiples congregate ('flagship zones') and more intimate areas adjoining them, invariably historic environments, where independent and niche multiples thrive ('oasis zones'). The West End shows how to make the most of heritage assets in doing this and how it can be commercially attractive to do so.

3.6 Case study: Brighton/New Road

This case study shows how Brighton, like the West End, has used historic environments to create a distinctive retail and leisure offer, with a particularly vibrant independent sector. As the analysis in Section 3.2 indicated, Brighton is an exceptionally popular destination. The success with which it has used its heritage assets to nurture distinctive commercial and cultural activity is perhaps the main reason.

The geography of the city makes it possible to analyse the differences between parts of the area that are dominated by historic assets and those that are not.

The commercial and leisure offer in the city centre is divided into two by West Street, which runs north south from the Station to the Seafront. A landmark clock tower is at the centre, at the intersection of West Street and the east-west axis of Western Road/North Street.

The main high street retail area is immediately to the west of the clock tower, concentrated in Churchill Square, a covered shopping mall, and along Western Road. The type of shop on Western Road gets more 'value orientated' as it moves west away from the central high street area. Most of the national multiple chains are in this western area. There are few independently owned businesses and there are no restaurants.

The Lanes, a historic environment originating in Brighton's days as a fishing village, is immediately to the east of West Street. There is a mix of shops and restaurants in that area, most of which are unique, although there are some 'niche' fashion brands that are not normally seen on high streets - they are concentrated on East Street, on the eastern side of the Lanes. The Lanes is a 'Cosmopolitan' style zone in the terminology of the Place Making Mosaic model. Most of the businesses there do not compete on price. Bond Street extends north of the Lanes in an area called the 'North Laine'. It is lined for almost its full length by small shop units and is almost exclusively occupied by unique businesses, possibly the greatest concentration of its type in the country. It is a 'Bohemian' style zone in the terminology of the model.

Figure 3.14 shows these four shopping areas marked on the Mosaic model.

Figure 3.14: The four main shopping/leisure areas in Brighton marked on the Mosaic

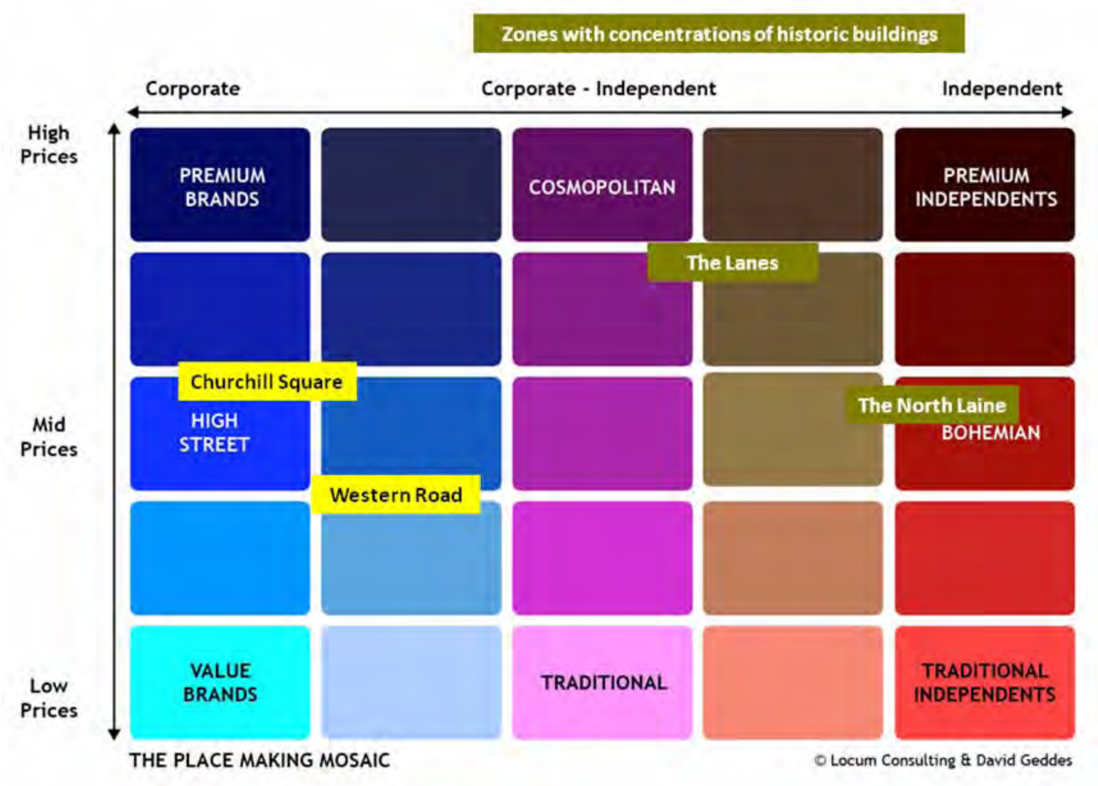
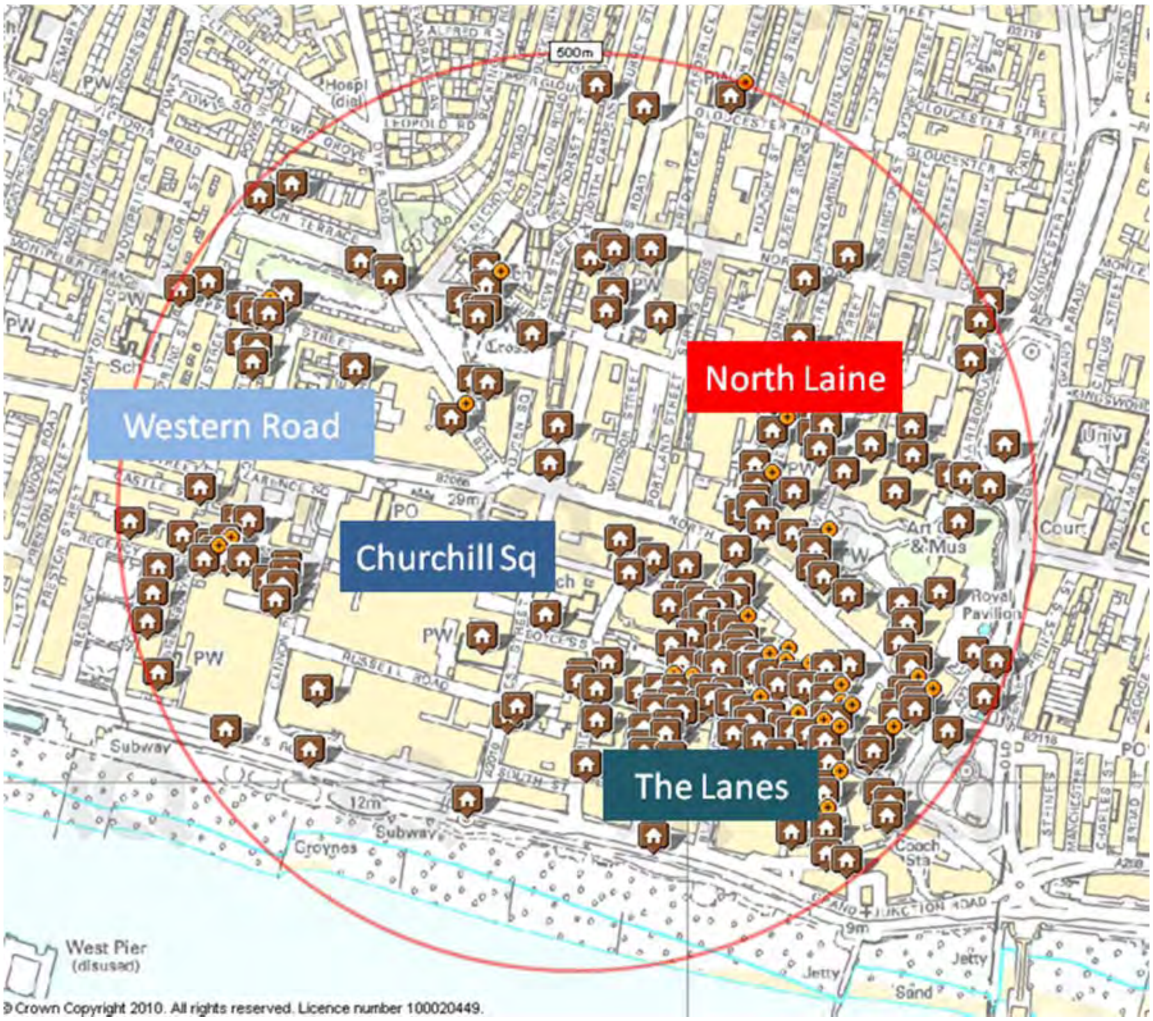


Figure 3.15 shows the listed buildings located within a radius of 500m of the Clock Tower, an area that encompasses the four main shopping and leisure areas outlined above. The names of each area are colour coded from the mosaic model to show the dominant type of commercial activity in it. It shows that there are many more listed building to the east in the Lanes and North Laine than to the west (there are actually no listed buildings at all in the main shopping street – all of the listed buildings shown on the map to the west of the clock tower are in residential areas located away from the shopping streets. By contrast, the commercial offer exists in listed buildings on the eastern side.

Figure 3.15: Listed buildings within a radius of 500m of the Clock Tower (in the centre), with the main shopping and leisure areas marked



Note: red marks indicate that more than one listed property is combined under a marker.

Table 3.4 is based on analysis of property within circles of 250m immediately to the west and east, respectively, of the Clock Tower (i.e. exactly the same physical area, dominated in both cases by commercial activity).

There are 2.5 times more shop units to the east than the west. Restaurants and bars are a major feature of the Lanes and the North Laine. There are three times more of them than in the high street area and, in reality, most of those in the high street area are chain coffee shops and fast food outlets. There have been almost twice as many detailed planning applications in the east than in the west in the past 5 years.

Table 3.4: Nature of areas to the west and east of the Brighton Clock Tower

	High St Area	*%*	*Lanes/North Laine*	*%*
Listed buildings	47		137	
RETAIL UNITS				
Pubs, Restaurants & Cafes	26	19%	87	27%
Shops	110	81%	239	73%
Total:	*136*	*100%*	*326*	*100%*
DETAILED PLANNING APPLICATIONS JUN 2005-JUN 2010				
Retail	58	43%	94	36%
Residential	48	36%	101	39%
Recreation	10	7%	44	17%
Offices	19	14%	20	8%
Total:	*135*	*100%*	*259*	*100%*

Source: ProMapIQ,

It is clear, therefore, that, as in London's West End, historic environments are performing a distinct role. They are encouraging a vibrant independent retail sector and providing 'oases' where people can relax and socialise.

New Road is an example of the impact of investment in such a situation. It is immediately to the east of the North Laine.

Brighton and Hove Council invested £1.45 million in the street in 2007 (the top left photo in Figure 3.16 shows what it was like before the investment). It is a 'shared space' scheme, which means that vehicles are still allowed to use it although pedestrians are given priority. The Theatre Royal and the Dome are located on the street and it has become the focus of a cultural quarter. It is used regularly for events such as a food festival.

The Council has encouraged restaurants, cafés and bars to use the street for continental style outdoor seating. The operators pay a Tables & Chairs license fee based on the space used and an initial admin fee[18].

New Road is an important part of Brighton and Hove's strategy to create a more mature and balanced night economy (the City is a beacon council for management of the night economy).

The improved street connects the Lanes area to a new mixed used development called Mariner's Quarter. That area has substantial new development which, at ground floor, provides larger units that are currently occupied by national restaurant chains like Carluccio's, YO! Sushi and Starbucks.

[18] An area of 25 sq m (250 sq ft) will pay about £425 per annum – which makes a contribution to costs of maintaining the space.

Figure 3.16: New Road, Brighton, before (top left) and after investment (others)

As illustrated in Figure 3.17, there are a number of listed buildings running along New Road and in the immediate vicinity. Figure 3.18 clearly shows the leisure-orientated nature of the occupiers that have been able to make use of the public realm that has been created on New Road.

Figure 3.17: Listed buildings around New Road

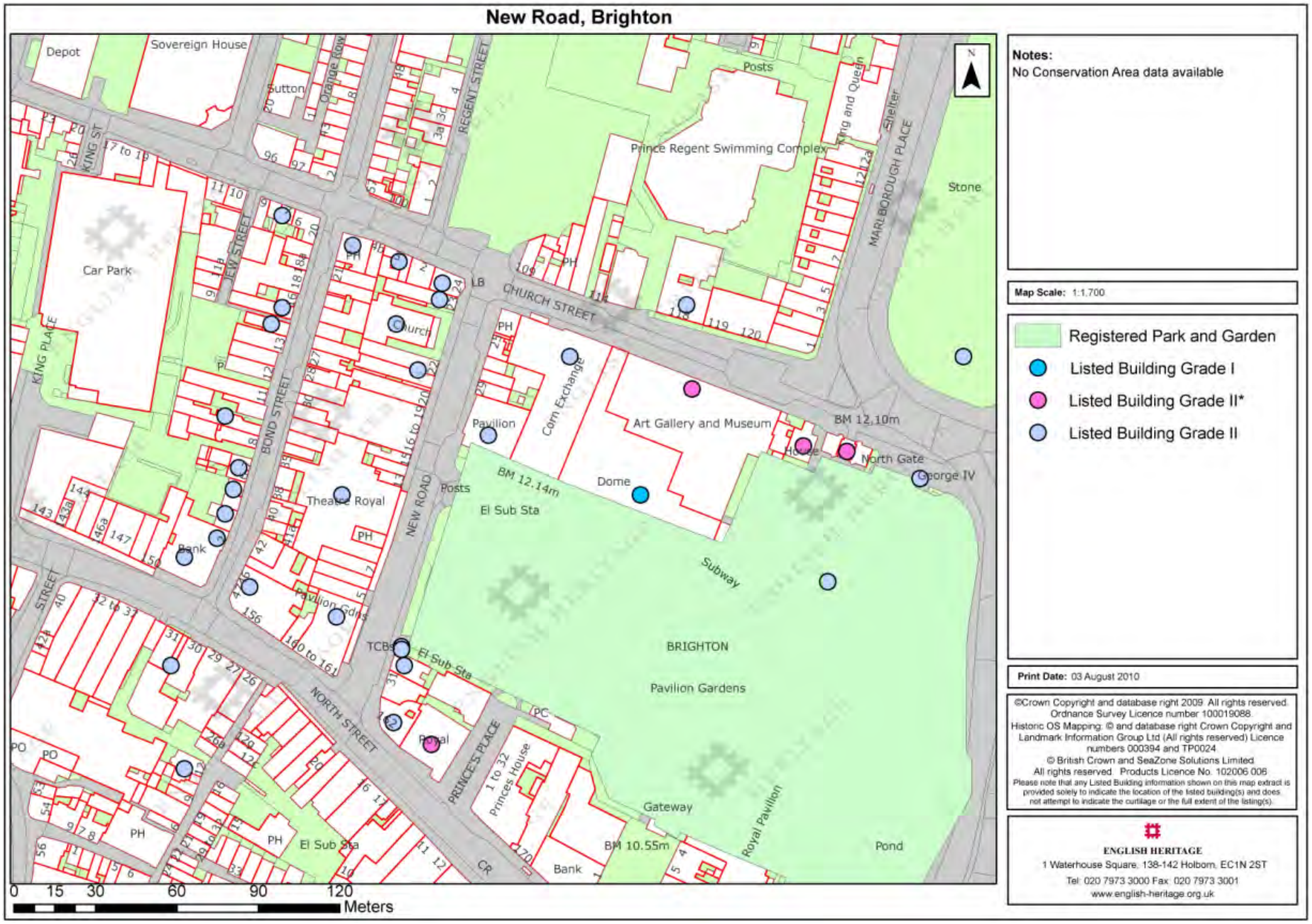
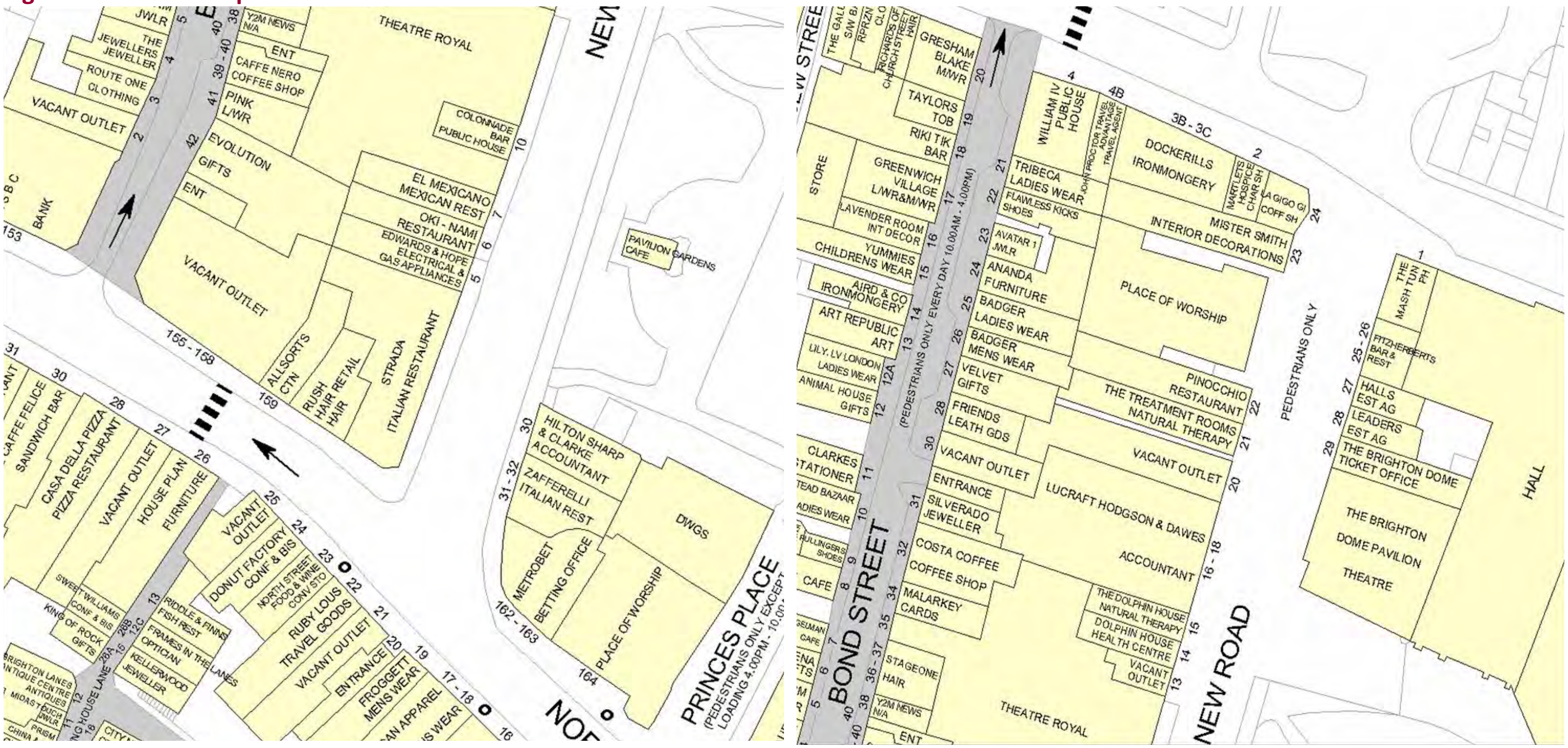


Figure 3.18: Goad maps for north and south end of New Road



New Road illustrates how investment that makes the most of historic environments is not necessarily in heritage assets themselves. It often has most effect when made to the assets' surroundings – normally, in other words, to the public realm (this is true, to varying extents, of all five of the case studies in this section). Historic assets create an ambience that people like. Investment in the public realm enables people to enjoy it.

The nature of the occupiers on adjacent Bond Street, which is part of the North Laine, is interesting. Figure 3.19 shows how small the units on Bond Street are. This has enabled independent businesses to thrive. There are about 40 retail units in that section, only three of which are part of chains (this section is only about a quarter of the total area of the North Laine - the rest is not covered by Goad maps). Demand is high – there are only two vacant units.

The narrowness of Bond Street is used, by allowing cafés to put tables onto the street, to create a distinctive ambience that differentiates it from other parts of the city centre. This has helped the area become very popular, and helped nurture small businesses.

Figure 3.19: Bond Street

3.7 Case study: Plymouth/The Barbican

Plymouth demonstrates, as in Brighton, the difference between commercial activity which is located in large, modern buildings in the modern heart of the city centre and that which takes place in an adjacent historic environment. Research conducted by Plymouth City Council has provided proof of the added value that historic buildings and places have in influencing consumer behaviour.

The houses of medieval Plymouth were clustered around the church of St Andrew. The port grew in importance in the 16th and 17th Centuries and the town spread in that direction.

Most of Plymouth's city centre was destroyed by bombing in 1940. The Plan for Plymouth, by J Paton Watson, the city engineer, and Professor Patrick Abercrombie, was published in 1943. It proposed total rebuilding of the commercial area with a new, car free street pattern. This created the modern city centre which is predominantly occupied by national multiple retailers, although there is a more varied mix to the west around the market. A new shopping centre, called Drakes Circus, has recently revitalised the mainstream retail offer.

Much of the 16th to 17th Century townscape around the harbour survived the Blitz. More of it was actually lost to pre and post War demolition than was lost to bombing.

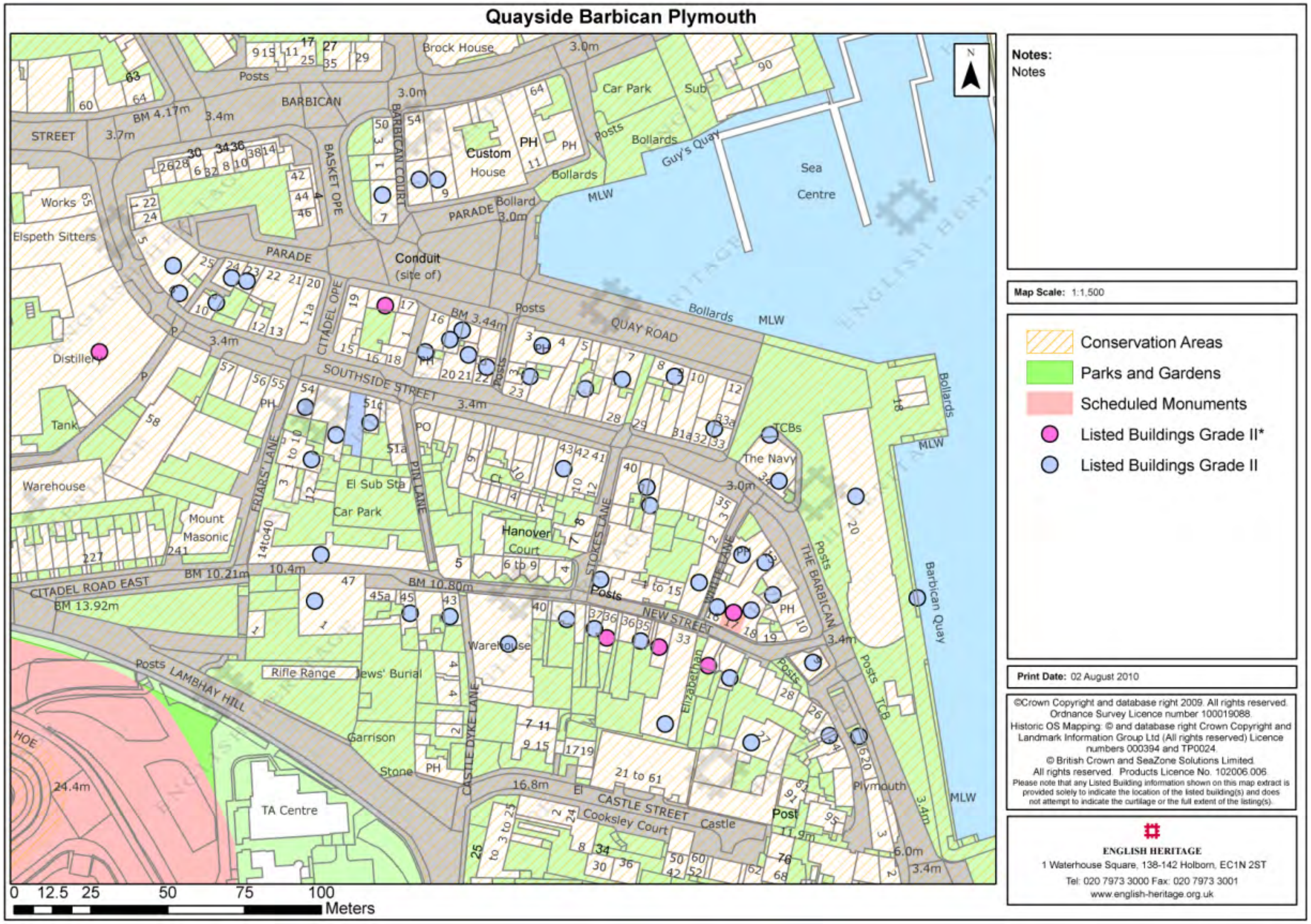
This townscape had deteriorated severely by the 1950s, however, and was for a time under threat of complete demolition. The Barbican Association was formed to campaign for its preservation. Plymouth City Council owned most of the property and transferred long leases to the Association so that it could refurbish the property and maintain it in perpetuity. This far sighted decision resulted in Plymouth having a substantial townscape with medieval character on the edge of the city centre area. It is equivalent to an urban village with a mix of residential, office, retail, cultural and leisure use. As shown in Figure 3.21 overleaf, the area still contains a high density of listed buildings.

The Sutton Partnership, a joint venture between Sutton Harbour Company and Plymouth City Council, was established about six years ago to deliver regeneration around the harbour. The main developments were new build residential and office blocks overlooking the water and the Barbican.

The main investment made in improving the townscape in the Barbican itself has been to the public realm and buildings on Quay Road (see Figure 3.20) and, to a lesser extent, on Southside Street. The work to Quay Road allowed outside seating for restaurants, which has resulted in all of the units now being taken up for this purpose.

Figure 3.20: The Quayside

Figure 3.21: Listed buildings in the area around the Barbican



The main change in the overall tenant mix at ground floor level on Southside Street/Parade/Quay Road has been a substantial increase in the number of pubs and bars, mainly at the expense of art shops and bookstores (see Table 3.5 and Figures 3.23 and 3.24). This is illustrative of the fact, seen in the West End and Brighton above, that historic environments are especially conducive to restaurant/bar use. The area still, however, has a vibrant mix of businesses, nearly all of them independent.

Table 3.5: Ground floor tenants in on Southside Street and the Quay

	2001	*2010*		*2001*	*2010*
Pubs & Bars	6	11	Bakers	1	2
Restaurants	7	10	Jewellery	1	1
Gifts	10	9	Ice Cream	2	1
Antiques & Art	11	7	Charity Shop		1
Cafe/Coffee Shops	2	3	Market	1	1
Food stores	1	2	Natural Therapy		1
Bookstores	4	2	Optician	1	1
Fashion	4	2	Betting	1	1
Fish & Chips	2	2	Cosmetics	1	
Interior Design		1	Sports Goods	1	
			Total:	*47*	*49*

The Barbican has since evolved into the primary restaurant area in Plymouth (see Table 3.6). As is the case with the Lanes and the North Laine in Brighton, the 'high street' bar offer (with the exception of a Wetherspoons pub) is not located here. It is located in an area adjacent to the retail core where there are larger shop units. The rest of the Barbican's establishments are unique or part of small chains.

The Barbican has also steadily become the focus of other leisure and cultural activity. It has a theatre. Plymouth Gin, which still has an operational distillery there, has opened a new visitor/conference centre. It hosts the Plymouth Jazz and Blues Festival, which has evolved into one of the city's most popular events – it had 62 performances over 10 days in 2009.

Figure 3.22: Investment in public realm and buildings

Figure 3.23: Plymouth Barbican Ground Floor Occupiers – 2001

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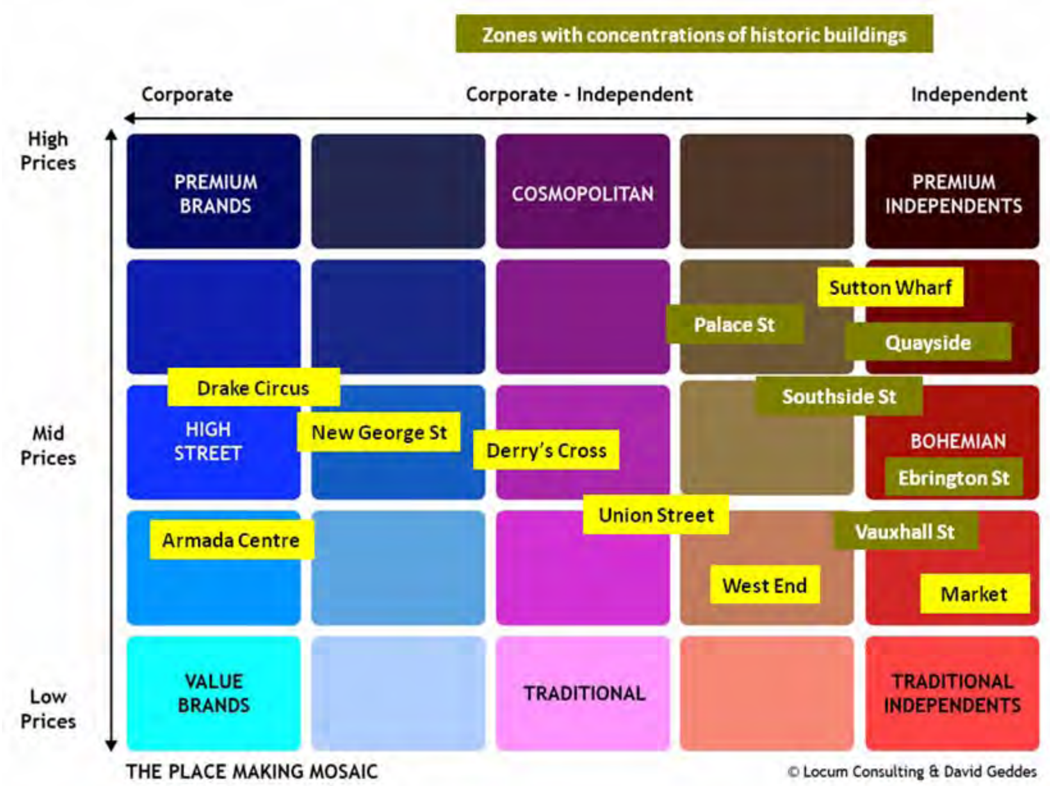
Figure 3.24: Plymouth Barbican Ground Floor Occupiers - 2010

There is office accommodation in upper floors in the Barbican. It is mainly occupied by professionals. The area also has a substantial residential population. This mixed use environment creates an attractive village ambience. That, in turn, provides a focal point for the new office and residential development which has taken place around the harbour.

The situation is, therefore, similar to Brighton's New Road. Enhancement of a historic townscape has not of itself created much new commercial space, which is difficult to do within the constraints of a historic environment, but it has added to the appeal of nearby development sites.

Figure 3.25 plots streets in Plymouth onto the Mosaic model according to the nature of the dominant commercial activity that exists in each case. It shows how, as in Brighton, there is a direct correlation between the location of historic assets and the existence of unique, independently owned businesses (all but Ebrington Street are in the Barbican area).

Figure 3.25: Main commercial shopping and leisure areas in Plymouth City Centre



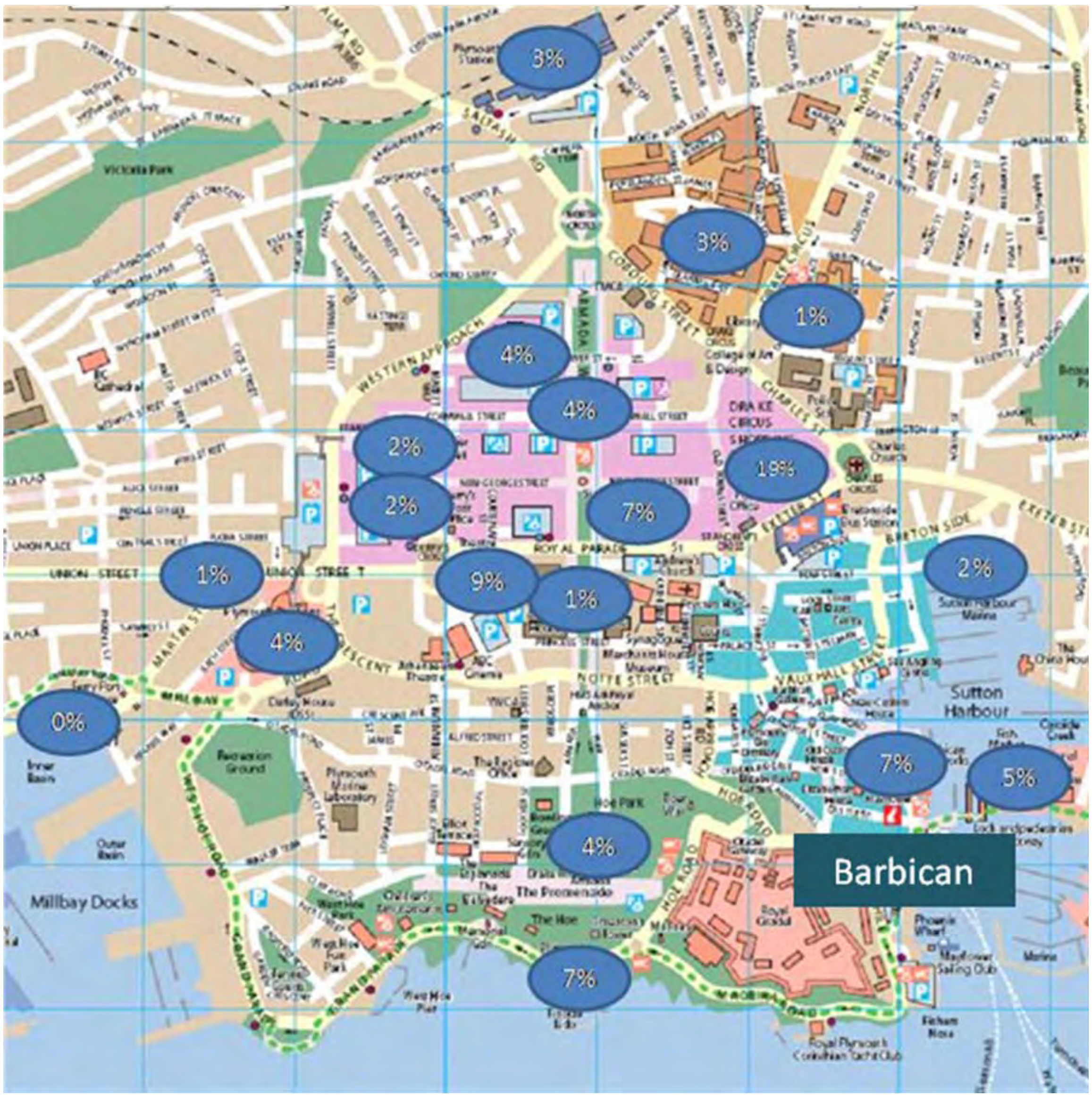
The Planning Department of Plymouth City Council commissioned research in 2009 to inform development of area action plans for the city centre. It provided evidence of the impact of these different use groupings on visitor behavior in the city centre.

The research interviewed 300 people who lived within a 30 mile band of the centre of Plymouth, 600 who lived within 30-60 miles, and 600 who lived within 60-120 miles.

Those respondents who had been to Plymouth within the past six months were shown a map of the centre and asked where they had been on their last visit. Given the fact that many of the respondents use the city as their main shopping resource, it is not surprising that Drake's Circus is the main destination for visits (see Figure 3.26).

The Barbican is in joint second place alongside the neighbouring Plymouth Hoe – many visitors probably visit both.

Figure 3.26: Main destination for visits to Plymouth



Source: Plymouth Visitor Research Study, 2008

The propensity to use different parts of the city centre varies, however, according to how far from the city that people live. The Hoe, followed closely by the Barbican, is the primary destination for those who live between 60-120 miles away (see Table 3.6).

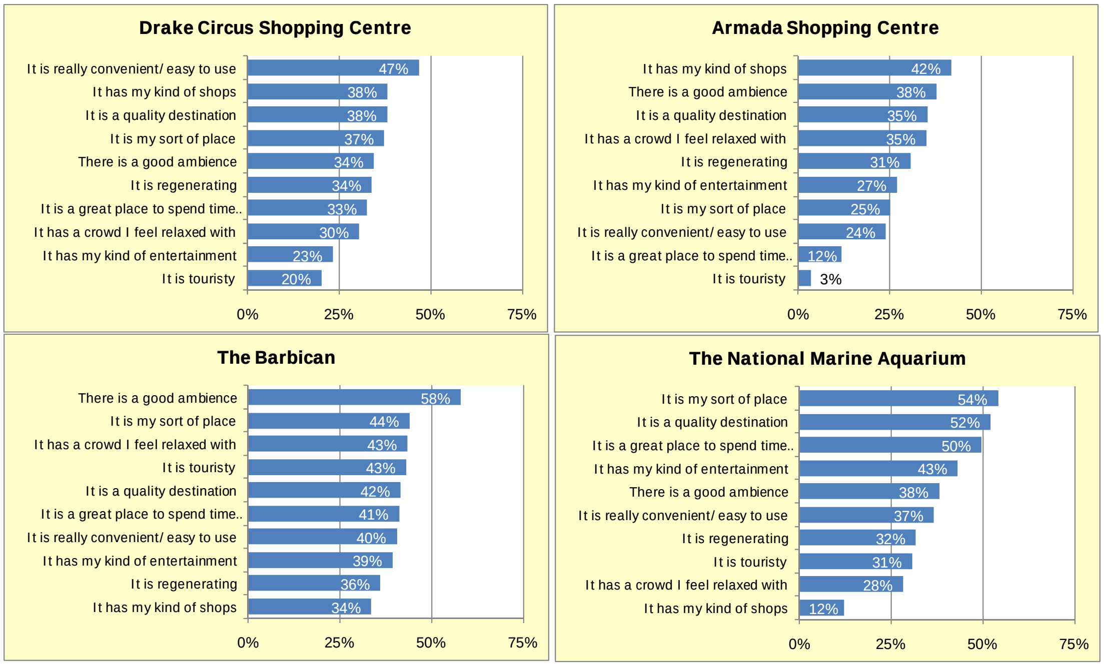
Table 3.6: Main destination visited by catchment area

	Less than 20 miles	20-60 miles	60-120 miles
Drake Circus Shopping Centre	26%	19%	9%
Other	12%	12%	7%
Theatre Royal	3%	12%	6%
New George Street shops (House of Fraser/Debenhams etc)	12%	6%	6%
The Barbican	5%	7%	13%
The Hoe - seafront and Tinside Lido area	3%	7%	14%
The National Marine Aquarium	0%	6%	9%
Armada Shopping Centre	2%	5%	4%
The Pavilions	3%	4%	2%
The Hoe - monuments and park area	3%	4%	5%
Armada Way - shopping area	4%	4%	1%
Plymouth Station	5%	3%	2%
Plymouth University	1%	4%	1%
Shops and cafés in the West End (i.e. around the Market)	3%	1%	6%
Plymouth Argyle Football Club	4%	2%	0%
The Market	2%	1%	3%
Sutton Harbour Marina	4%	0%	3%
Armada Way - Civic Centre area	2%	1%	2%
Union Street (nightlife area)	1%	1%	2%
City Museum and Art Gallery	1%	1%	4%
Barbican Leisure Park	1%	0%	1%
Millbay Docks	1%	0%	2%
Mount Wise	0%	0%	0%
Stonehouse	0%	0%	0%
Ferry Terminal	0%	0%	1%
Mount Edgecumbe	0%	0%	0%
Royal William Yard	0%	0%	0%

Visitors were then asked to rate various statements about the destination in the city that was the main purpose of their visit. The charts in Figure 3.27 show the proportion who strongly agreed with various statements put to them about the destination.

Comparing the responses for the reasons given for liking the different destinations shows a striking difference between the responses for the shopping destinations, for the main visitor attraction in town (the National Marine Aquarium) and the Barbican. The Barbican is most liked for its *ambience*. The others are most liked for more functional reasons, such as having a good range of shops and being convenient. The Barbican has considerably the highest rating for being 'My Sort of Place'.

Figure 3.27: Proportion of people for whom the destination was their main purpose of visit saying they 'strongly agreed' with the statement



This research in Plymouth provides evidence of the fact, which is also visibly evident in the heritage townscape destinations studied in London and Brighton, that historic environments provide an optimal setting for activity that has a leisure dimension because people instinctively like the ambience that it creates. Furthermore, historic buildings and places are important in attracting people from far afield because they differentiate the town/city from others.

3.8 Case study: Stockport/Market & Underbanks area

This case study demonstrates that the same effect applies in a totally different context – a post industrial town in the north of England.

The Market & Underbanks area at the heart of the town of Stockport retains the street pattern, building pattern and 'feel' of the market town it was before it became a major centre of manufacturing in the 19th Century (commemorated in the town's Hat Works attraction).

The area remains a vibrant hub in the town, with the Victorian Market Hall at its heart and, in a valley below it, the busy Underbanks. It is a designated conservation area, comprising Stockport town centre's historic core and represents an area of substantial historic, architectural and archaeological interest. The area contains physical evidence, at both above and below ground levels, of the growth and development of the Market Place from a defensive settlement to an important commercial centre from the early medieval period up to the present day.

The town's main shopping area is separate, however, largely contained in a modern shopping centre to the immediate west (see Figure 3.28). This is, as in Brighton and Plymouth, almost entirely occupied by national and regional multiples.

Figure 3.28: Stockport Town Centre

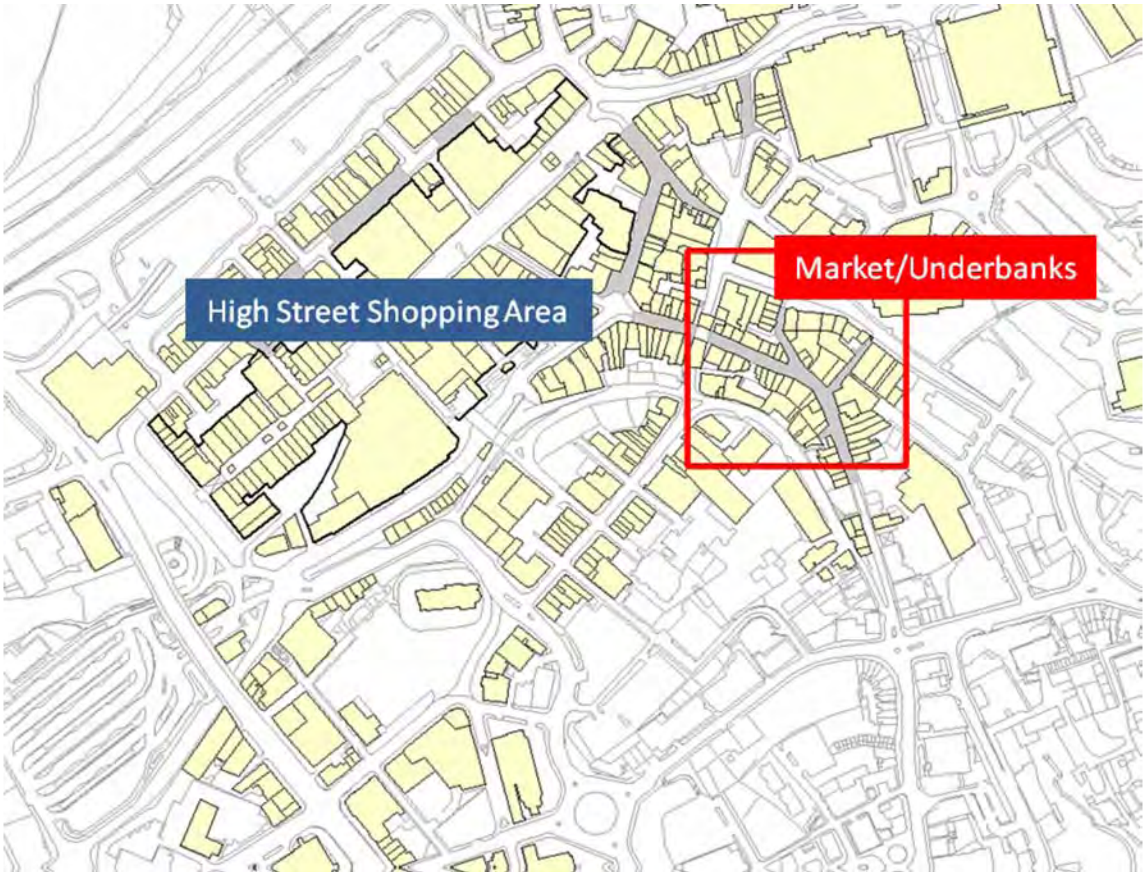
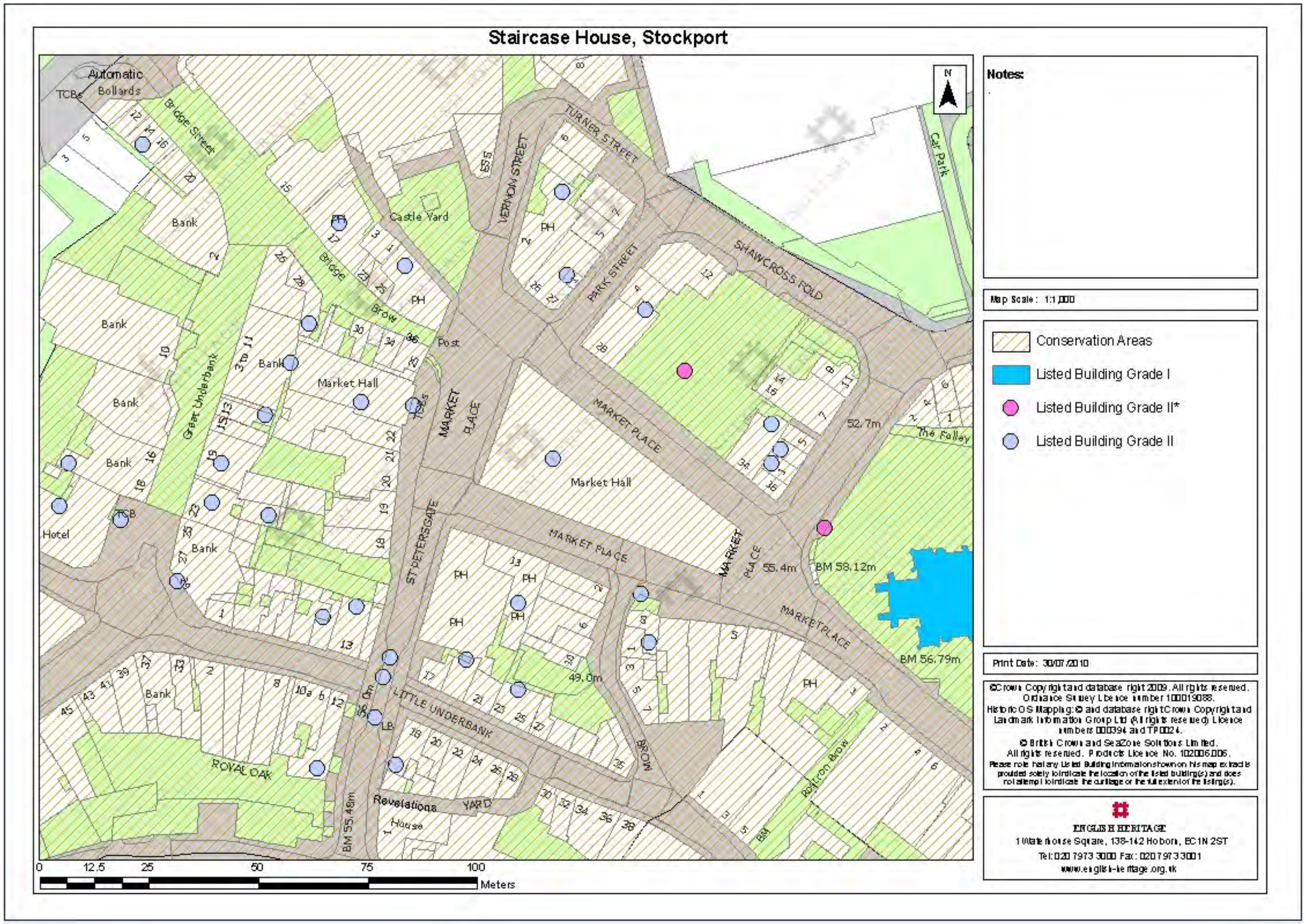


Figure 3.29 shows the listed buildings in the historic area. It had, for a considerable period of time, experienced neglect and a lack of investment, and was not viewed as attractive or safe. There were very few facilities to attract visitors and shoppers to the area and this was further compounded by poor access. Many of the listed and key landmark buildings within the area had become vacant and were in a state of severe disrepair by the 1990s.

Stockport Council recognised the importance of the historic environment in the Market & Underbanks area in terms of maintaining a distinctive sense of place. It has co-ordinated a long term plan for upgrading the buildings and the public realm. The main projects have included the restoration and opening of Staircase House, a grade II* listed medieval merchant's house originally built in the late 15th Century, and the restoration of the Victorian Market Hall, a grade II listed building built in 1861. Both were part funded by the Heritage Lottery Fund.

The programme has had a significant impact on the physical appearance of the area, restoring many of the surviving historic buildings, such as Staircase House and the Market Hall, and improving the setting of the conservation area through high quality public realm works that reflect its historic context.

Figure 3.29: Listed buildings in the Market & Underbanks area

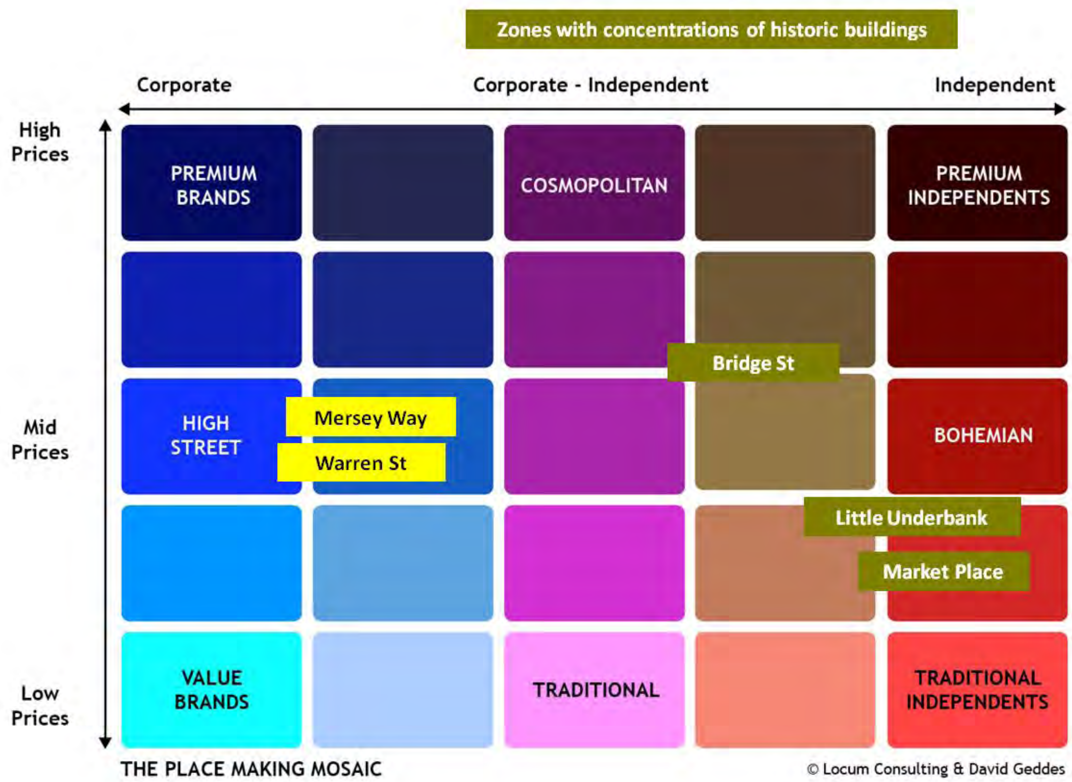


As Figure 3.30 shows, the area sustains a large number of small businesses in addition to those located within the Market Hall, most of which are locally owned.

Figure 3.30: Occupiers of the Underbanks/Market Place in Stockport

Figure 3.31 shows the main shopping and leisure areas in Stockport Town Centre plotted on the Mosaic model. As with the other case studies, there is a strong correlation between the location of historic buildings and the existence of independently owned businesses. The rents are relatively low, providing an important source of affordable accommodation for small, independent businesses.

Figure 3.31: Main commercial shopping and leisure areas in Stockport Town Centre



The visitor survey conducted for this study shows why the Market and Underbanks area is popular. Of 200 people surveyed, all but two (i.e. 99%) said that the area had *"an atmosphere that I like"*, all but three agreed that *"It's one of the nicest parts of town"*, all but two agreed that "It's a nice place to be in the evenings" and that *"It's a pleasant place to spend time in"*.

The comments made by those surveyed give a rich picture of why people like the environment and the impact that the investment has made. The combination of the 'character' of the environment and the businesses that operate there, and the rejuvenation resulting from the investment, is evidently appreciated by almost all those interviewed.

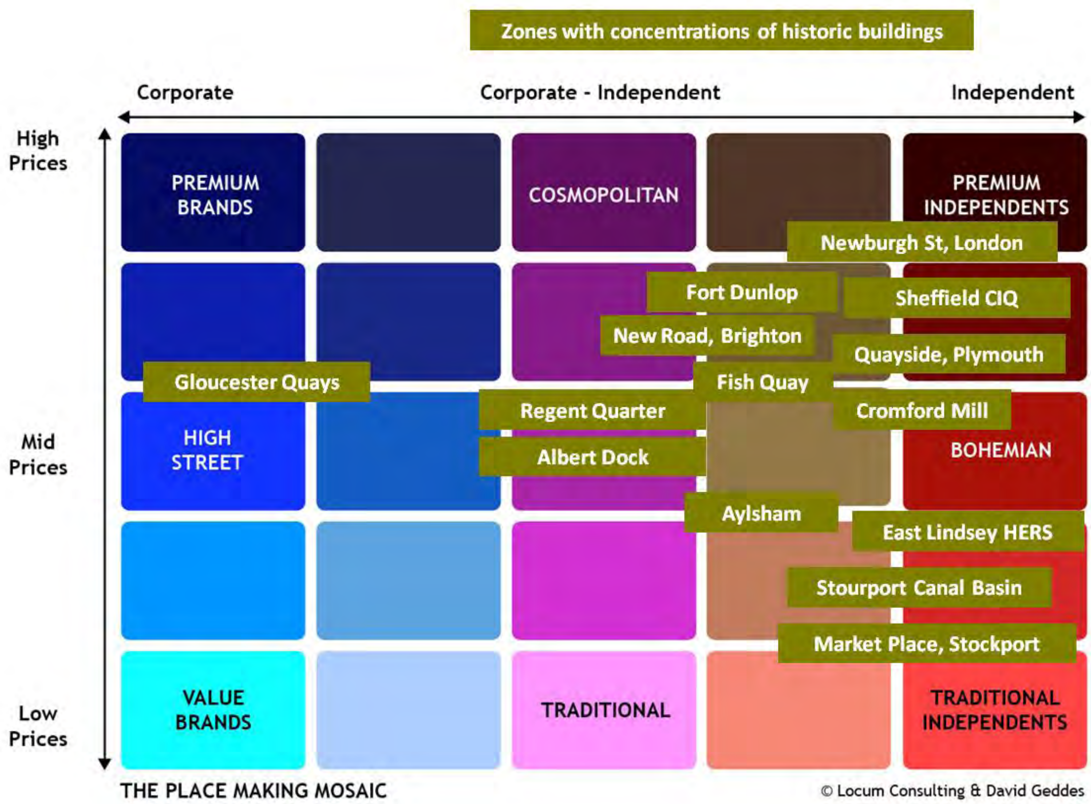
3.9 Summary

The evidence assessed in this section substantiates something that, intuitively, most people would probably accept – that places known for the quality and quantity of their historic assets are more popular destinations. People like being in historic environments.

The case studies convey a more subtle message of the impact that historic buildings and places have. They nurture types of commercial, leisure and cultural activity that are not easily created otherwise in towns and cities.

Figure 3.32 shows all of the examples that were examined as part of this study on the Place Making Mosaic model. The majority of them are on the right of the model. In other words, they are dominated by commercial and other activity that is independently owned and managed.

Figure 3.32: Case Study locations plotted on the Place Making Mosaic



The case studies have shown how they are differentiated in this respect from other parts of the town/city centre. The West End, Brighton, Plymouth and Stockport are alike that they only have concentrations of unique businesses in historic environments.

In some cases, as in Stockport, these concentrations are of a relatively 'traditional' nature. Prices and rents are relatively low.

In others cases, like the West End and the Lanes in Brighton, the activity is more 'premium'. Rents are high and business operating there charge higher prices than in other areas.

Whilst the nature of the different historic environments is diverse, they share other characteristics. All of them have a mix of uses, and all of them have a substantial leisure dimension, particularly in the form of bars and restaurants. This again differentiates them from other parts of the town/city centre.

The research evidence from Plymouth and Stockport has shown that this happens because people feel relaxed and comfortable in historic places. The Plymouth research provides direct evidence that the further that people live from a city, the more they are likely to be influenced by the nature and quality of its heritage assets to visit it. This in turn explains why places like

Brighton, which nurture large scale commercial activity in historic environments, become so popular.

The conclusion that can be reached from this is that every town and city should look carefully at their heritage assets and what can be done to make optimal use of them, especially by using them to encourage unique and leisure-orientated uses.

4 Analysis of the economic, social and environmental impacts of historic environment regeneration

4.1 Introduction

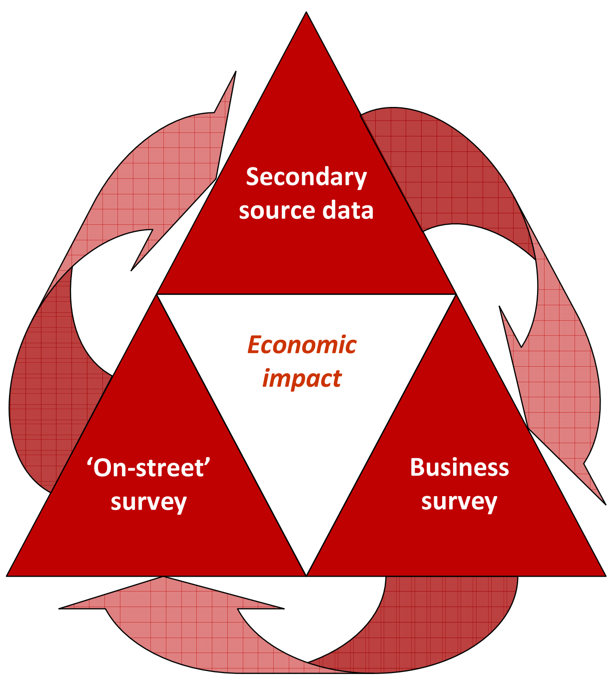
In this section, the assessment looks specifically at the economic, social and environmental impacts of a range of individual case studies, which have involved improvements to the historic environment. It first assesses the economic impact of five case study projects and then outlines the social and environmental benefits associated with heritage-led regeneration, drawing on a number of examples.

4.2 Economic benefits of historic environment regeneration

4.2.1 Overview

An estimate of economic impact has been calculated separately on the basis the 'on-street' survey, the business survey and data provided by project contacts (see Figure 4.1). The use of three different approaches has been adopted to address the limitations of the existing evidence base, to account for the possibility of bias and to provide greater confidence in the results. It also reflects the challenges posed in assessing the economic benefits associated with historic buildings and places, including the difficultly of disentangling the effects of historic investment from other factors, such as wider economic conditions.

Figure 4.1: Economic impact analysis

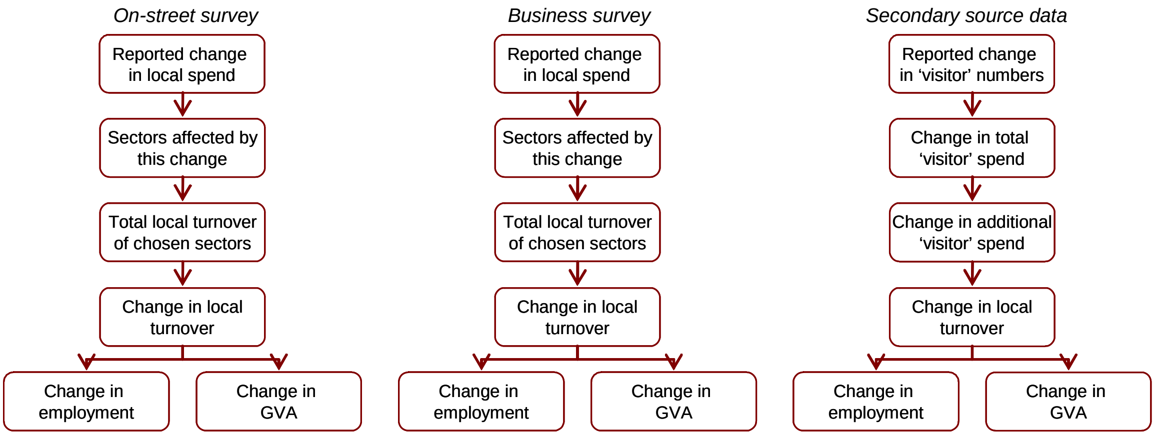


The information gathered under each approach has been combined to form a composite analysis of the economic impact that can be directly attributed to improvements to the historic environment achieved in five different case studies. This has identified a number of key economic benefits that can be associated specifically with heritage-led regeneration, namely increased business turnover, leading to greater levels of economic activity (measured in terms of GVA) and employment.

It should be stressed that the assessment of economic benefits is **a marginal analysis of the additional impact of heritage-led regeneration**. In other words, it is focused on the impacts that arise directly from the fact that improvements have been made to the historic environment. It therefore does not seek to measure the full impact of each case study project and excludes benefits that would have been achieved even if the quality of the historic environment had not been enhanced. The analysis concentrates on the additional impact that the historic environment has had on business performance and people's actions and perceptions.

The approach used to assess the economic benefits, based on the 'on-street' survey, business survey and secondary source data gathered through consultations with key project contacts, is summarised in Figure 4.2. Suitable existing secondary data was only available for two of the five case studies assessed.

Figure 4.2: Assessment of economic benefits



Appendix C sets out a technical description of the assumptions underpinnings each of the three strands of assessment. It is important to note that the results derived from each strand of assessment should not be added together. Rather, they are separate methods of estimating the same impacts. Moreover, the estimates of impact should not be expected to be exactly the same given the different approaches adopted under each element of the analysis.

As described in detail within Appendix C, consideration has been given to the extent to which the benefits of the case studies assessed are additional. By additional it is meant, *"the extent to which activity takes place at all, on a larger scale, earlier or within a specific designated area or target group as a result of the intervention"*[19]. The impact of an intervention after taking account of additionality is referred to as its net additional impact.

The scale of the net additional impact will vary depending upon the spatial area at which the benefits are assessed. Heritage-led regeneration is mainly concerned with the renovation and renewal of specific, localised geographical areas. As such, the analysis of economic impact has been undertaken at the local level (principally, the town or city in which the project has taken place).

Although the main area of impact is likely to be local, depending on the scale of the project, there may also be spill-over effects into adjoining areas. This was not measured directly as part of the study. However, the 'on-street' and business surveys do suggest that each of the case study projects has brought some additional spend into the wider economy.

The results of the economic impact analysis are summarised below. A comparison is also made to benchmarks derived from other public sector interventions to assess the relative value for money of the public sector investment in the case studies. A range of GVA per £1 of public sector investment and cost per job ratios have been derived and, where possible, used to estimate the impact of the other case studies reviewed as part of this research. However, it should be noted that these ratios are derived solely from the assessment of the five case studies covered in this Section. The impact of specific historic environment regeneration projects may vary.

4.2.2 *Business turnover*

For five different case studies (see Section 2.3.5, Table 2.4), the changes in spend of local residents, workers and visitors and the turnover of local business, as reported by the 'on-street' and business survey respectively, have been assessed to estimate the impact on business turnover. In addition, for the Staircase House and Covered Market Hall project in Stockport and the restoration of the Stourport Canal Basins project, an assessment of secondary source data, in the form of visitor information, has also been carried out.

The impact on turnover within the local area under each of the case studies is summarised in Table 4.1. A cumulative impact has been calculated, assuming that the benefits of the interventions last for ten years.[20] This is consistent with the methodology applied within PricewaterhouseCoopers's (PwC) 2009 review of Regional Development Agency (RDA) spending,

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19 English Partnerships (2008), *Additionality Guide: A standard approach for assessing the additional impact of interventions*.

20 The cumulative impact reflects the total benefits of a project based on the anticipated number of years the benefits of the project are expected to last. For the purposes of this assessment, it has been derived by estimating an annual impact and multiplying this by ten. A discount rate (the Social Time preference Rate) of 3.5% has then been applied in order to calculate the 'present value' of the cumulative impact on business turnover (in other words, the value of the benefits in present terms).

undertaken on behalf of the then Department for Business, Enterprise and Regulatory Reform (BERR).[21]

Table 4.1: Cumulative ten year impact on business turnover (£millions)			
	'On-street' survey	Business survey	Secondary source data
Aylsham HERS	£6.6m	£3.2m	-
Regent Quarter, Kings Cross	£10.9m	£34.4	-
Sheffield CIQ THI	£9.5m	£10.7m	-
Staircase House & Covered Market Hall	£10.6m	£9.4m	£7.3m
Stourport Canal Basins	£38.4m	£1.1m	£24.6m

The results of the impact analysis demonstrate a degree of consistency across the different approaches used to estimate the impact on turnover for the Aylsham HERS, Sheffield CIQ THI and Staircase House & Covered Market Hall projects. However, in relation to the restoration of the Stourport Canal Basins and, to a lesser extent, the Regent Quarter project, there is a large discrepancy between the impact on turnover assessed using the results of the 'on-street' survey compared to when the results of the business survey are used.

From the survey of local businesses in Stourport, issues were raised about the disruption caused by the development. This could explain partly why the reported impact was so much lower compared to the 'on-street' survey.

In addition, a few firms reported that the Stourport project had diverted trade from their business. Some displacement is not uncommon in public sector investment. The 'on-street' survey implied nearly 40% of the additional spend generated by the project is displaced from elsewhere in the local area. It is possible, given the small sample size of the business survey (25 firms), that a disproportionate number of businesses adversely affected by the project were surveyed. This would suggest that the results of the business survey could underestimate the impact of the project.

It is uncertain whether this is indeed the case, but more weight should be given to the results of the 'on-street' survey for Stourport due to its larger sample size (151 residents, workers and visitors) and consistency with the results of the assessment using secondary source data. For the purposes of the assessment of value for money (see Section 4.2.5) the results of the business survey for the Stourport Canal Basins project have therefore been excluded.

There is also a relatively large difference between the impact estimated for the Regent Quarter case study under the 'on-street' survey compared to the business survey. To a degree, this is to be expected. In comparison with the other case studies, the 'on-street' survey for the Regent Quarter is likely to have included a large number of respondents who were travelling through the area, as opposed to visiting the Regent Quarter itself. The effect of the project on such people's spend is likely to be lower, reducing the scale of impact measured through the 'on-street' survey.

[21] BERR (2009), *Impact of RDA spending – National report*

4.2.3 *Economic activity (GVA)*

As well as the impact on turnover, the effect of heritage-led regeneration under each of the case studies has been assessed in terms of GVA, which can be used as a measure of change in economic activity.[22] It is also useful to assess the impact on GVA as it allows comparisons to be made more easily with other public sector interventions, for which benchmarks have been produced in terms of increase in GVA per £1 of public sector investment (see Section 4.2.5).

Table 4.2 sets out the cumulative ten year GVA impact under each of the case studies.[23] Again, where possible, results have been reported based on the 'on-street' survey, business survey and assessment of secondary source data. As the estimate of GVA impact has been derived from turnover, the same issue arises with regard to the Stourport and Regent Quarter projects, with a significant discrepancy between the business survey and the results from the other approaches.

Table 4.2: Cumulative ten year GVA impact (£millions)

	'On-street' survey	Business survey	Secondary source data
Aylsham HERS	£2.0m	£1.0m	-
Regent Quarter, Kings Cross	£3.3m	£10.3m	-
Sheffield CIQ THI	£2.8m	£3.2m	-
Staircase House & Covered Market Hall	£3.2m	£2.8m	£2.2m
Stourport Canal Basins	£11.5m	£0.3m	£7.4m

Overall, it is estimated that the Aylsham HERS project will generate between £1.0 and £2.0 million of net additional GVA, while the Regent Quarter project will create between £3.3 and £10.3 million of net additional GVA. Under the Sheffield CIQ THI case study, it is calculated that the project will generate between £2.8 and £3.2 million of net additional GVA, whereas the Staircase House and Covered Market Hall project is expected to result in between £2.2 and £3.2 million of net additional GVA. Excluding the results of the business survey, it is estimated that the restoration of the Stourport Canal Basins will generate between £7.4 and £11.5 million of net additional GVA.

4.2.4 *Employment*

The impact on employment has, as with GVA, been derived from the estimated effect on business turnover. The figures set out in Table 4.3 therefore do not include a direct allowance for employment accommodated through the provision/redevelopment of commercial space. In part, this is to avoid double counting. A proportion of the direct employment accommodated under each case study will be dependent on the expenditure of local residents, workers and

[22] This measure of economic value is used by, for example, the Department for Business, Innovation and Skills (BIS) to measure the value of economic development and regeneration interventions.
[23] As with business turnover, the cumulative GVA impact has been expressed in 'present value' terms, based on a discount rate of 3.5%.

visitors generated as a result of improvements to the historic environment. This is already reflected in the estimates of employment impact set out in Table 4.3.

In addition, this study is principally concerned with the impact of improvements to historic buildings and places, not the effects of increased commercial space. It has therefore concentrated on the effect of a project on people's behavior (measured through changes in their spending patterns), rather than how many jobs a given development has accommodated – particularly as these could probably have been accommodated without improvements to the historic environment.

Table 4.3: Employment impact

	'On-street' survey	Business survey	Secondary source data
Aylsham HERS	9	4	-
Regent Quarter, Kings Cross	10	31	-
Sheffield CIQ THI	15	17	-
Staircase House & Covered Market Hall	16	14	12
Stourport Canal Basins	55	2	35

It is important to stress that the employment impact outlined above could be much higher, certainly for the Regent Quarter case study and Sheffield CIQ THI case study, if the direct jobs created as part of the project were all included. However, as already noted, by taking account of changes in the turnover of local firms and the resulting changes in employment, those direct jobs that can be specifically attributed to historic environment improvements are included in the estimates set out in Table 4.3.

By way of example, it is estimated that the Regent Quarter development could accommodate around 1,700 jobs. Some 3,000 jobs are reported to be located within the Sheffield CIQ, although this includes all of the CIQ, not just the seven buildings which were the focus of THI investment.

It should be noted that, as part of the business survey firms were asked what impact the case study investments have had on employment. Of the 122 firms interviewed, only one business responded that they had increased employment as a result of the improvements. From this it can be inferred that either:

- the increase in turnover for each individual firm has not, on the whole, been significant enough to result in changes to the number of people they employ; or
- firms are unable to disentangle the impact of heritage-led regeneration from the effect of other, perhaps more dominant, factors such as wider economic conditions.

It is probable that both of these suggestions are true to an extent. Given the reported impact on turnover, it is likely that improvements to the historic environment have helped to support job creation, or at least safeguarded employment, in combination with other factors. For example, a number of consultees reported that the project had helped to militate against the effects of the recession.

At the same time, the economic downturn is likely to have had a greater impact on many businesses, compared with improvements to the historic environment. The responses to the business survey (as well as the 'on-street' survey) will have been affected by the recession and, perhaps, meant that firms found it more difficult to identify the effects of heritage-led regeneration. If the survey had been carried out at a time when the economy was performing more strongly, the responses to the business survey in terms of employment could, potentially, have been much more positive.

4.2.5 *Value for money*

The public sector costs incurred under each case study are set out in Table 4.4. The development of Regent Quarter did not involve any direct public sector investment and has, therefore, not been included within the analysis of value for money. However, the Regent Quarter project is a good example of how heritage-led regeneration is possible with private sector funding.[24] Heritage assets can be of significant value to the private sector and can become the focal point of commercially led schemes.

Table 4.4: Public sector cost

	Public sector cost
Aylsham HERS	£0.3m
Sheffield CIQ THI	£3.1m
Staircase House & Covered Market Hall	£5.3m
Stourport Canal Basins	£3.3m

The assessment of value for money has been based on two analyses of value for money:

- firstly, a benefit:cost ratio comparing the ratio of cumulative net additional GVA to public sector cost; and
- secondly, a public sector cost per net additional job ratio.

The ratios derived for each case study are set out in Table 4.5.

Comparisons have been made with benchmarks from other public sector interventions, obtained from the review of RDA spending undertaken by PwC in 2009.[25] The benchmarks used correspond to interventions categorised as 'public realm', which encompasses projects focused on improving the quality of the built environment, streetscape and the quality of the physical infrastructure. Overall, the average achieved GVA to cost ratio for public realm projects reviewed as part of the PwC report was 1.8:1. The average cost per job was £118,945.

The public realm benchmarks are considered to be the most appropriate for this study, as the research is, as already stressed, specifically focused on the impact of improvements to the historic environment in each case study, rather than the impact of the case study project as a

[24] Although no public sector funding was provided in relation to the Regent Quarter project, English Heritage did play a role in facilitating the planning (although not the implementation) of the development.
[25] BERR (2009), *Impact of RDA spending – National report*

whole (including the provision of commercial space). It would therefore not be appropriate to use benchmarks based on, for example, projects brining land back into use.

Table 4.5: Value for money

	Cumulative GVA:public sector cost	Public sector cost per net additional job
Aylsham HERS	2.9:1 – 6.0:1	£36,662 - £82,490
Sheffield CIQ THI	0.9:1 – 1.0:1	£181,442 - £205,634
Staircase House & Covered Market Hall	0.5:1 – 0.6:1	£332,563 - £443,417
Stourport Canal Basins	2.2:1 – 3.5:1	£60,000 - £94,286
Case study weighted average*	**1.6:1**	**£126,689**
Benchmark ratio (public realm)	**1.8:1**	**£118,945**

*The case study weighted average is based on the 'on-street' survey, for which it is considered reliable data has been obtained for all four of the case studies.

The results of the analysis show that, based on the five case studies:

- for every £1 of public sector expenditure on heritage-led regeneration, there is a return of £1.60 cumulative net additional GVA. Consequently, measuring just the quantitative economic impacts, the benefits more than exceeds the costs;
- the cumulative net additional GVA:public sector cost ratio is comparable, although slightly lower, than the benchmark ratio for public realm interventions; and
- the average public sector cost per net additional job, at £126,700, is also comparable with the benchmark ratio for public realm interventions, albeit marginally higher.

The analysis suggests that the relative value for money of historic environment regeneration will be partly dependent on the form of intervention undertaken. In particular, those projects that succeed in attracting additional visitors are perhaps more likely to achieve a higher direct economic return. In contrast, projects that are concerned with restoring existing heritage assets that do not represent significant visitor attractions may achieve lower economic returns, not accounting for the effects of other components of the scheme such as the provision of commercial accommodation.

The above analysis of value for money only takes into account the indirect economic benefits of heritage-led regeneration. For the majority of projects focused on the historic environment, the main purpose is not the creation of additional jobs or GVA, but the repair and restoration of important heritage assets that are of intrinsic value. Furthermore, as described in Section 4.3, investment in historic buildings and places will also often lead to a number of other wider, less easily monetised impacts that are nevertheless important.

4.2.6 Applying the findings to the other case studies

As described in Section 2.4, eleven other case studies have been reviewed as part of this study in addition to the five case studies considered above. This has not included primary survey research, so an exact estimate of economic impact has not been possible. However, on the basis of the nature of each case study and where information on public sector funding has been provided, it is possible to use the findings in Table 4.5 to derive an estimate of the potential scale of impact.

For seven of the other case studies, consideration has been given to which of the four case studies included in Table 4.5 they most closely resemble.[26] The relevant GVA to cost ratio and cost per job ratio have then been applied to the level of public sector expenditure in order to provide an estimate of economic impact. The results of this analysis are shown in Table 4.6.

Table 4.6: Additional impact attributable to public sector funded historic environment regeneration

Case study	Public sector cost	Comparative project	Indicative impact	
			Cumulative GVA	Employment
Albert Dock, Liverpool	£40.0m	Stourport Canal Basins	£88.0m-£140.0m	424-667
Cromford Mill, Derbyshire	£6.8m	Stourport Canal Basins	£15.0m-23.8m	72-113
Curson Lodge, Ipswich	£0.7m	Staircase House & Covered Market Hall	£0.3m-£0.4m	2-3
East Lindsey HERS	£1.0m	Aylsham HERS	£2.8m-£5.9m	12-27
Fort Dunlop, Birmingham	£10.0m	Sheffield CIQ THI	£9.0m-£10.0m	49-55
Gloucester Quays	£6.0m	Sheffield CIQ THI	£5.4m-£6.0m	29-33
West Auckland PSCA	£0.5m	Aylsham HERS	£1.5m-£3.0m	6-14

As the estimates of economic impact set out within Table 4.6 involve more assumptions than those in Table 4.5 they should therefore be treated with more caution. The validity of using such a value transfer method is restricted given the small number of case studies covered by the main assessment. In addition, historic buildings and places are often unique and can be set within widely differing contexts. The level of private sector investment will also be an important determining factor.[27] These figures should therefore be seen as illustrative estimates which

[26] Public sector cost information has not been available for the Quayside Barbican (Plymouth), New Road (Brighton), Newburgh Street (West End, London) and North Shields Fish Quay case studies. Therefore they have not been included as part of this analysis.
[27] For the Gloucester Quays case study, the level of private sector funding as a proportion of the total project cost was much greater than for the comparative project used to provide benchmark GVA to cost and cost per job ratios (Sheffield CIQ THI). Therefore, the figures in Table 4.6 for Gloucester Quays are likely to underestimate the full scale of impact associated with improvements to the historic environment.

provide an example of how the results of this study might be applied, in combination with a more detailed project assessment.

Moreover, as with the assessment of the five case studies above, the figures in Table 4.6 are an estimate of the marginal impact of the project that can be attributed to heritage-led regeneration. Some of the case studies generated a large number of direct jobs, through the provision of commercial space. For example, it is estimated that around 2,000 jobs are accommodated within Fort Dunlop and that some 700 jobs have been created within Gloucester Quays. Consultees for each project have indicated that this employment can at least partially be attributed to the improvements in the historic environment.

4.3 Social and environmental benefits of historic environment regeneration

4.3.1 Overview

In addition to the economic benefits assessed above in Section 4.2, the study has also looked at the social and environmental impacts of heritage-led regeneration. Each of the key benefits is discussed in turn below. This has been informed by the 'on-street' survey and business survey, along with responses to the project consultations. The 'on-street' survey involved face-to-face interviews with nearly 1,000 local residents, workers and visitors (see Table 4.7), while the business survey covered over 120 firms across five case study areas.

Table 4.7: 'On-street' survey – number of people surveyed

Case study	Local residents / workers	Visitors*	Total
Aylsham HERS	186 (92%)	15 (8%)	201
Regent Quarter, Kings Cross	162 (81%)	38 (19%)	200
Sheffield CIQ THI	191 (95%)	9 (5%)	200
Staircase House & Covered Market Hall	193 (98%)	4 (2%)	197
Stourport Canal Basins	106 (70%)	45 (30%)	151

*Visitors were classed as those people who did not work or live within the local area

All of the businesses interviewed were aware of the improvements to the historic environment carried out under the respective case studies. In contrast, some of the people responding to the 'on-street' survey did not know of the changes that had been made to the area (see Table 4.8). Only those aware of the project were asked for their views on the investment, although all respondents were asked questions regarding their perceptions of the area as a whole and the importance of the historic environment more generally.

Table 4.8: Proportion of respondents to the 'on-street' survey not aware of the project			
Case study	**Local residents / workers**	**Visitors**	**All respondents**
Aylsham HERS	23%	53%	25%
Regent Quarter, Kings Cross	28%	97%	41%
Sheffield CIQ THI	4%	38%	6%
Staircase House & Covered Market Hall	0%	50%	1%
Stourport Canal Basins	4%	49%	17%
Overall	12%	65%	18%

4.3.2 Enhanced townscape

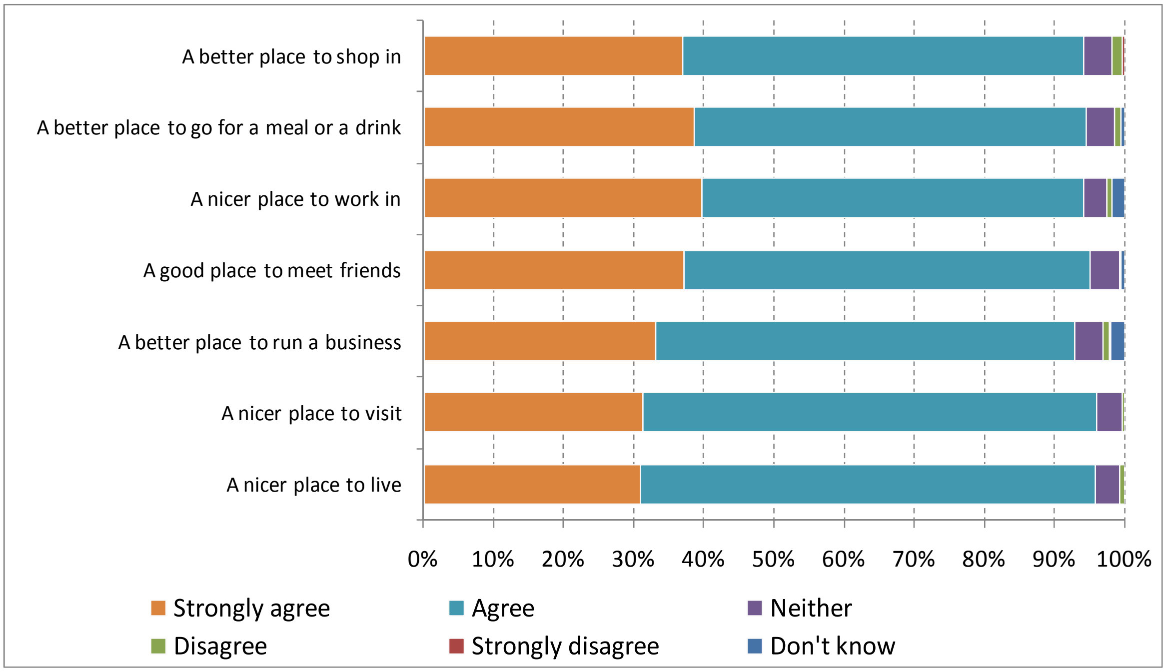
Evidence from the 'on-street' survey, set out in Table 4.9, indicates that heritage investment projects were widely perceived to have had made a positive contribution to the local environment, with 93% of respondents describing the impact of the intervention as good or very good. These findings suggest that historic buildings and places constitute an important component of the wider townscape for a high proportion of people.

Table 4.9: Survey responses – How would you rate the project for making a positive contribution to the local environme						
	Aylsham	**Kings Cross**	**Sheffield**	**Stockport**	**Stourport**	**Average**
Very good	50%	11%	39%	38%	43%	37%
Good	46%	81%	58%	58%	35%	55%
Neither	3%	8%	3%	4%	22%	7%
Poor	1%	0%	0%	0%	0%	0%
Very poor	0%	0%	0%	0%	0%	0%
Don't know	1%	0%	0%	0%	0%	0%

Note: Of the respondents to this question, 90% had lived/worked in the area prior to the implementation of the project

Evidence from the surveys also suggests that through the improvement of heritage assets and enhancement of the overall townscape, the experience of living within the case study areas was also enhanced. As illustrated in Figure 4.3, over 90% of respondents to the 'on-street' survey undertaken within the case study areas indicated that the investment in the historic environment had resulted in the creation of a nicer place in which to live, work and socialise, as well as a more attractive visitor destination.

Figure 4.3: Characteristics of case study areas following heritage regeneration investment



Note: Of the respondents to this question, 100% had lived/worked in the area prior to the implementation of the project

4.3.3 Civic pride and sense of identity

Civic pride can be associated with the shared appreciation of local character and is intrinsically linked with concepts of identity.

This link is reinforced by research undertaken as part of this study. Respondents to the 'on-street' survey carried out for each of the case study areas were asked how they rated the project in terms of both raising pride in the local area and in terms of creating a distinct sense of place. The responses to these questions are set out in Figure 4.4 a) and b) below.

Of the 778 respondents to this question across all case study areas, some 92% indicated that they would rate the project as either good or very good in terms of raising pride in the local area, while 93% rated the projects as good or very good in terms of creating a distinct sense of place.

Figure 4.4 a): Project rating for raising pride in the local area

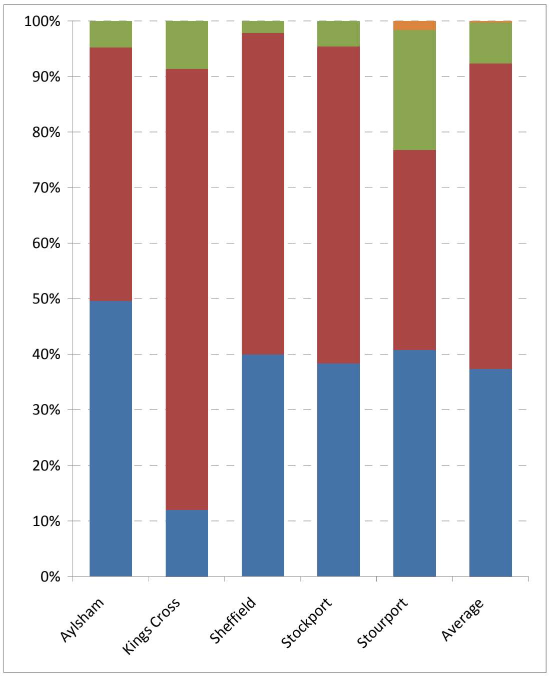
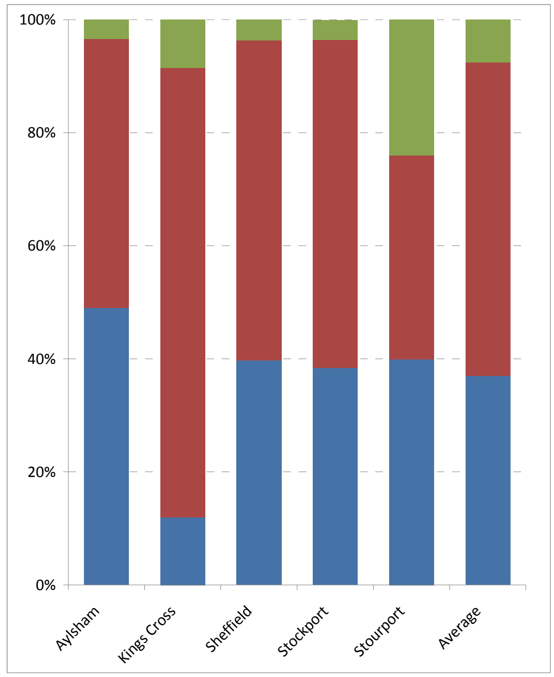


Figure 4.4 b): Project rating for creating a distinct sense of place?



Very good Good Neither Poor Very poor Don't know

Note: Of the respondents to this question, 90% had lived/worked in the area prior to the implementation of the project

These results are supported by findings from the survey of project managers and other consultees. The project manager for the Fort Dunlop regeneration scheme highlighted the importance of the former Dunlop Warehouse to local communities, emphasising its role as an iconic landmark. The importance of this landmark to communities is reflected in the level of involvement of residents and community groups in the development of the regeneration project.

Fort Dunlop has now been redeveloped and incorporates key facilities and amenities for local communities including shops, bars and restaurants along with a cafe, a nursery and an art gallery. The project has transformed this iconic but derelict site into a key local landmark and a focus for a renewed sense of pride amongst local residents and workers.

4.3.4 Place vitality

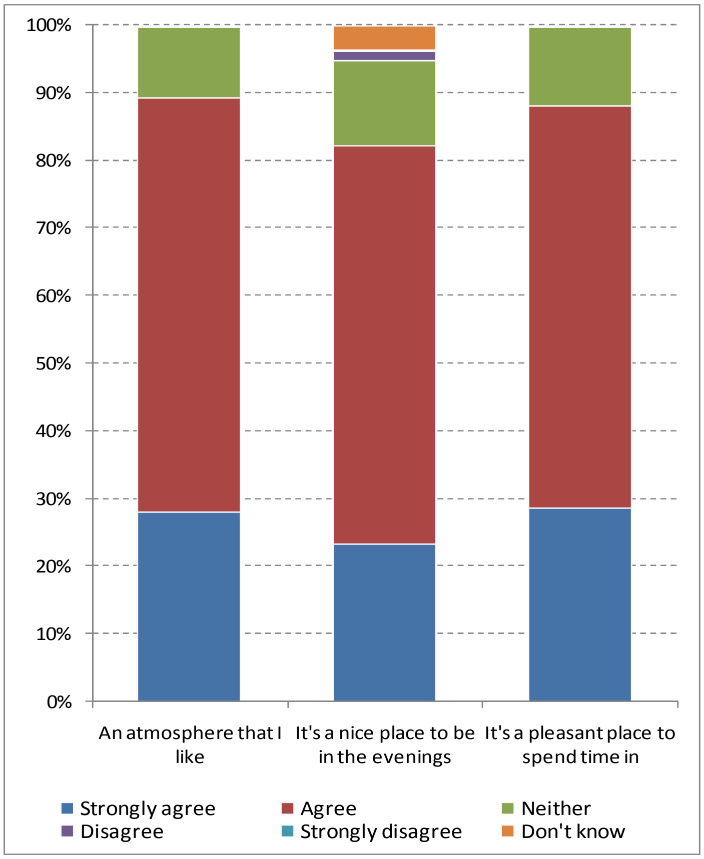
The concept of place vitality is intrinsically linked to the use of spaces and activities that take place within the urban environment on a day to day basis. It is identified as a key concept of urban design, with animated spaces recognised as promoting interaction and safety. Places that have vitality are vibrant and attractive to businesses and individuals. They are places where people want to live, work and visit.

Vitality, in terms of an area's liveliness, marks a key social indicator in assessing the quality of any place. Successful places encourage high levels of vitality, observed in the street life and level of activity across public spaces. Place vitality as a concept underpins the principles of high density, mixed-use development that have been central to urban design over the last 10 years. Establishing a busy, thriving and enjoyable environment is critical to promoting vitality.

The results of the 'on-street' survey suggest that areas benefiting from heritage-led regeneration have strong vitality and are perceived positively by those that use them. In particular, 89% of respondents agreed or strongly agreed that investment has created an environment with an enjoyable atmosphere. In excess of 80% of respondents over the five case studies agreed that the local areas are pleasant places to spend time in and be in during the evenings.

Survey responses indicate that people's experience of the areas in which historic environment regeneration has taken place is generally strongly positive.

Figure 4.5: Perceptions of the area



Note: Of the respondents to this question, 18% were either not aware of the project or had not lived/worked in the area before the project was implemented

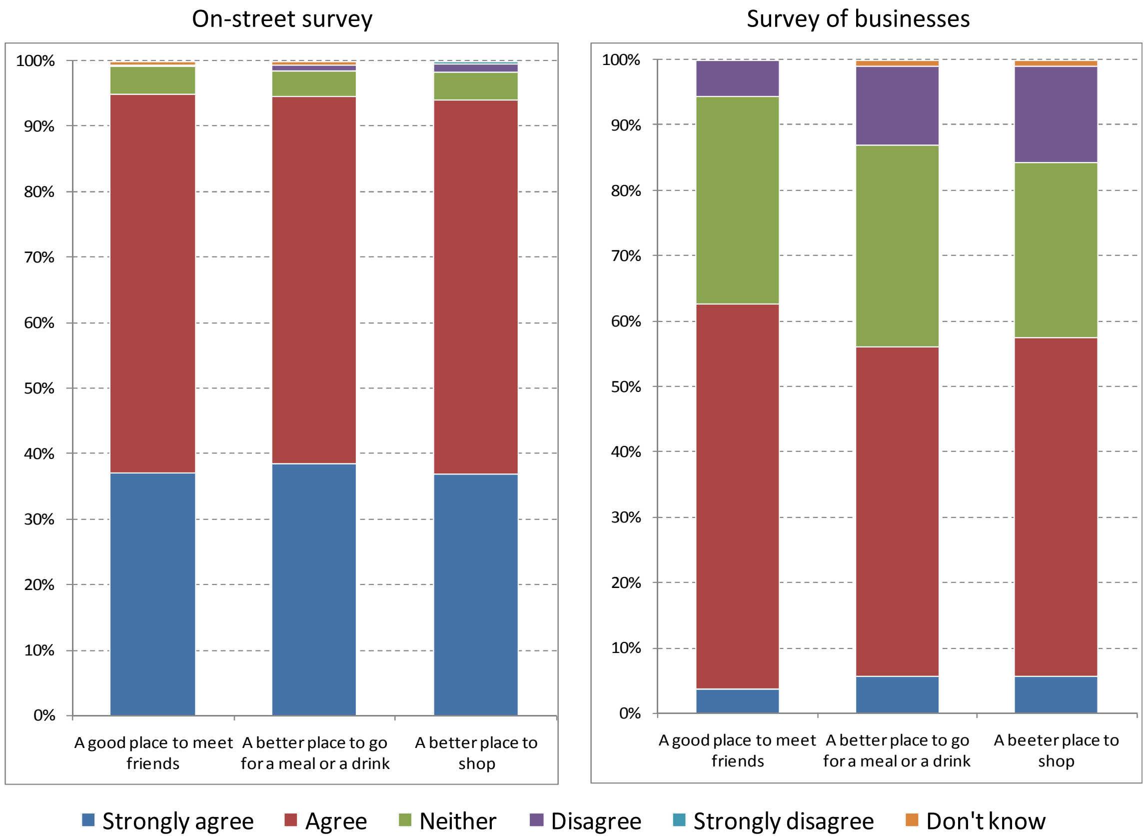
The survey of people associated with the project emphasised the role of the public sector in addressing the decline in the urban fabric to stimulate demand from both private sector investors and potential residents, thus generating increased activity within an area and enhancing vitality. The North Shields Fish Quay case study demonstrates that through investment to bring historic buildings back into active use issues of environmental, as well as economic and social, decline can be addressed. The project manager for the Fish Quay project indicated that regeneration investment has transformed the area. The unique character of the area has been a factor in enabling it to outperform other business areas over the course of the recession and maintain high levels of vitality across this historic business district.

4.3.5 Social interaction

Poorly conceived development creates hostile environments, characterised as poorly lit and maintained, resulting in low levels of use. Conversely, high-quality public spaces become places and destinations where people can interact, rather than just through routes.

Responses from the 'on-street' survey indicate that the case studies were successful in creating a townscape that promotes social interaction. Across the five case study areas, approximately 95% of respondents to the 'on-street' survey agreed or strongly agreed that the project areas were now a good place to meet friends. An equivalent proportion of the 680 people who responded indicated that following the project the area was a better place to engage in social activities, such as visiting restaurants and bars and going shopping. These findings are set out in Figure 4.6.

Figure 4.6: Social interaction within the case study project areas



Note: Of the respondents to this question, 100% had lived/worked in the area prior to the implementation of the project

The level of impact attributed to heritage investments in terms of promoting social interaction was less pronounced under the business survey, although still broadly positive. Some 62% of respondents agreed that the case study areas were a good place to meet friends, while 56% of respondents thought that investment to regenerate the local historic environment had resulted in the creation of a better place to go for a meal or a drink.

4.3.6 Community engagement

The survey of project managers and other consultees highlighted the important role that communities and voluntary groups play in historic regeneration schemes, along with the role of such schemes in fostering community engagement. The great majority of the survey responses indicated that either the voluntary sector or local residents had been involved in delivering the project. In particular, responses from Cromford Mill and East Lindsey demonstrate the role of historic regeneration in encouraging community engagement.

As a partnership scheme, the East Lindsey HERS brought key private, public and voluntary sector interests together alongside local residents to drive the regeneration process forward. Local interest groups were consulted in relation to the funding of key projects and the design of public realm works. Through this mechanism, the project monitor for the East Lindsey HERS indicated that voluntary and community organisations enjoyed a substantial level of involvement in the development of the scheme.

At Cromford Mill, the voluntary sector played a different though equally important role. The Arkwright Society Charitable Trust has been the body charged with the delivery of key elements of the restoration project, transforming the derelict Mill into a visitor attraction and small business centre. Further to this, voluntary organisations are responsible for the management of the site and the staffing of key visitor services, and have played a key role in researching the history of the mill and promoting on-site architectural investigation. The survey response emphasises that working alongside key public and private sector stakeholders, the voluntary sector has played a critical role in the transformation of this UNESCO World Heritage site.

Another example of successful community engagement is provided by the regeneration of Curson Lodge, a 16th century, Grade II* listed, timber framed building in Ipswich. The Ipswich Building and Preservation Trust oversaw the repair and conservation of the building's existing fabric and conversion of the ground floor into 2 retail units and the upper floors into 2 flats. The restoration and repair of Curson Lodge is demonstrative of the Trust's aim that "t*he people of Ipswich benefit from living in a town which has buildings of greater architectural and historical interest and a stronger visual character and sense of place than would be the case without it*".

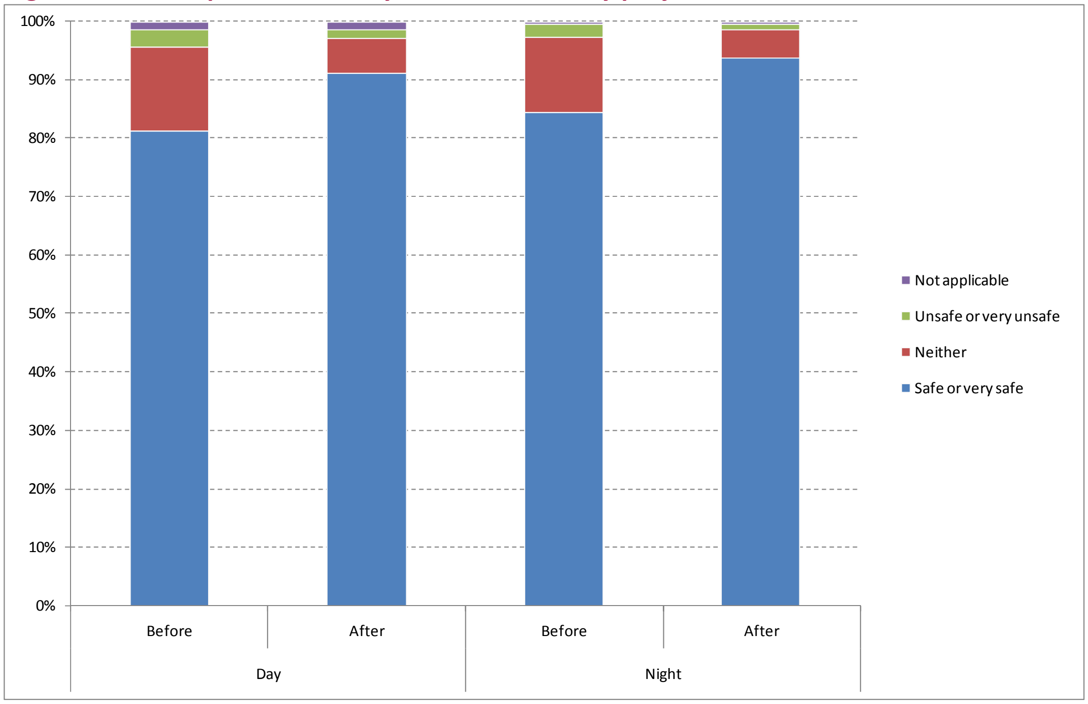
4.3.7 Community safety and crime reduction

Survey responses indicate that the case study interventions have enhanced perceptions of safety within each project area. The improvement in perceptions of safety is illustrated in Figure 4.7 below, based upon 679 responses across the five areas.

While only 3% of respondents across the case studies indicated that they felt unsafe within the project areas prior to the intervention, this reduced to 1% post intervention. Further to this, the proportion that indicated positive feelings of safety increased from 81% to 91% during the day and from 85% to 94% after dark.

Increases in perceptions of safety were marginal in Aylsham, although overall it was still considered to be safe or very safe by over 85% of respondents during the day and 93% after dark prior to the heritage project (see Figure 4.8). Improvements in perceptions of safety were particularly pronounced in Sheffield, with the proportion of respondents perceiving the project area as safe or very safe increasing from 73% to 98% following the investment.

Figure 4.7: Perceptions of safety within case study project areas



Note: Of the respondents to this question, 100% had lived/worked in the area prior to the implementation of the project

Figure 4.8: Perceptions of safety within each of the case study areas

Note: Of the respondents to this question, 100% had lived/worked in the area prior to the implementation of the project

The survey of project managers and other consultees further supports these findings. Within the majority of case study areas, the project consultees agreed that heritage investment had made the area feel safer.

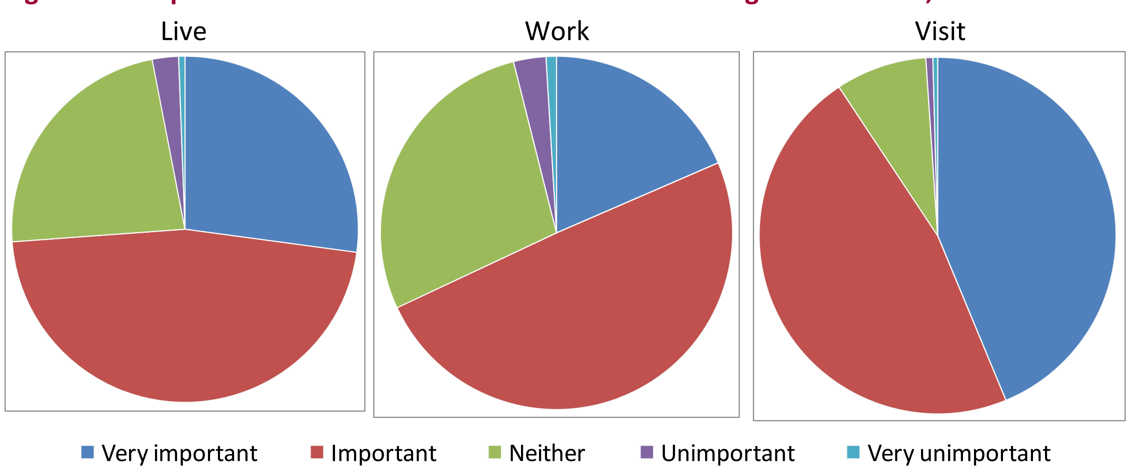
Further to this, the project monitor for East Lindsey reported that the design of the scheme in line with *Streets For All* principles had not only contributed to the heritage setting, but also enhanced traffic safety within the town centre. This highlights that a comprehensive and plan led approach to the regeneration of historic buildings and places can contribute to improving safety for local communities.

4.3.8 Heritage and decisions on where to live, work and visit

Existing research indicates that heritage and historic buildings and places have an impact on where people choose to spend their time. The survey reinforces these findings and highlights the level of importance respondents attached to the historic environment when making decisions about where to live, work and visit.

The findings, illustrated in Figure 4.9, suggest that historic buildings and places contribute to determining where people choose to visit, with 91% of respondents identifying it as an 'important' or 'very important' factor. The influence of the historic environment in decisions about where to live and work appears to be somewhat lower at 74% and 68% respectively. Despite this, it is clear that the majority respondents ascribed significant value to the existence of historic buildings and places.

Figure 4.9: Importance of the historic environment in deciding where to live, work and visit



Note: Of the respondents to this question, 18% were either not aware of the project or had not lived/worked in the area before the project was implemented

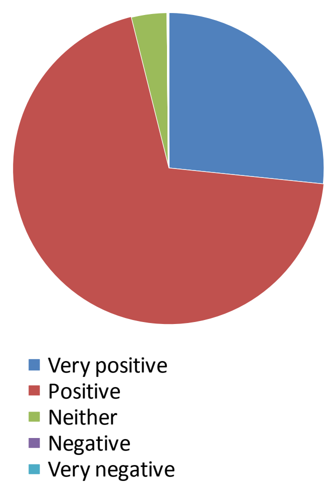
While this suggests that the historic buildings and places play an important role in where people choose to live and work, the survey indicates that the impact of the case study interventions was somewhat more limited. As Figure 4.10 shows, some 96% of respondents across all case studies rated the projects as positive or very positive in terms of their impact on local heritage. However, despite these positive perceptions, respondents indicated that the influence of the project in decisions relating to where to live and work was limited. Overall, 5% of respondents across all of the case study areas said that the respective project had influenced their decision (either ‘a great deal’ or ‘to some extent’) to live or work in the area. However, this is to be expected given the wide range of factors that influence individuals’ decisions of where to live and work.

Part of the reason for this limited impact is that, particularly within areas of low population turnover such as Aylsham, many people have lived or worked within the areas surveyed for a long time prior to the improvements to the historic environment. Their decision to live or work in the area was therefore made before the investments were made. However, although the improvements may not have influenced the original decision to live or work in an area, it is likely that the case studies have helped to encourage people (and businesses) to remain.

In addition, as noted, there are numerous factors that are likely to influence someone’s decision as to where to live and work – for example, being near friends and family, the presence of good local amenities such as schools and shops, and the availability of suitable employment opportunities. This should not lessen the importance attributed to the historic buildings and places, as the general responses to the ‘on-street’ survey indicate that they are a significant contributory factor to the overall attractiveness of an area.

Figure 4.10a: Extent to which heritage intervention influenced live / work location decisions

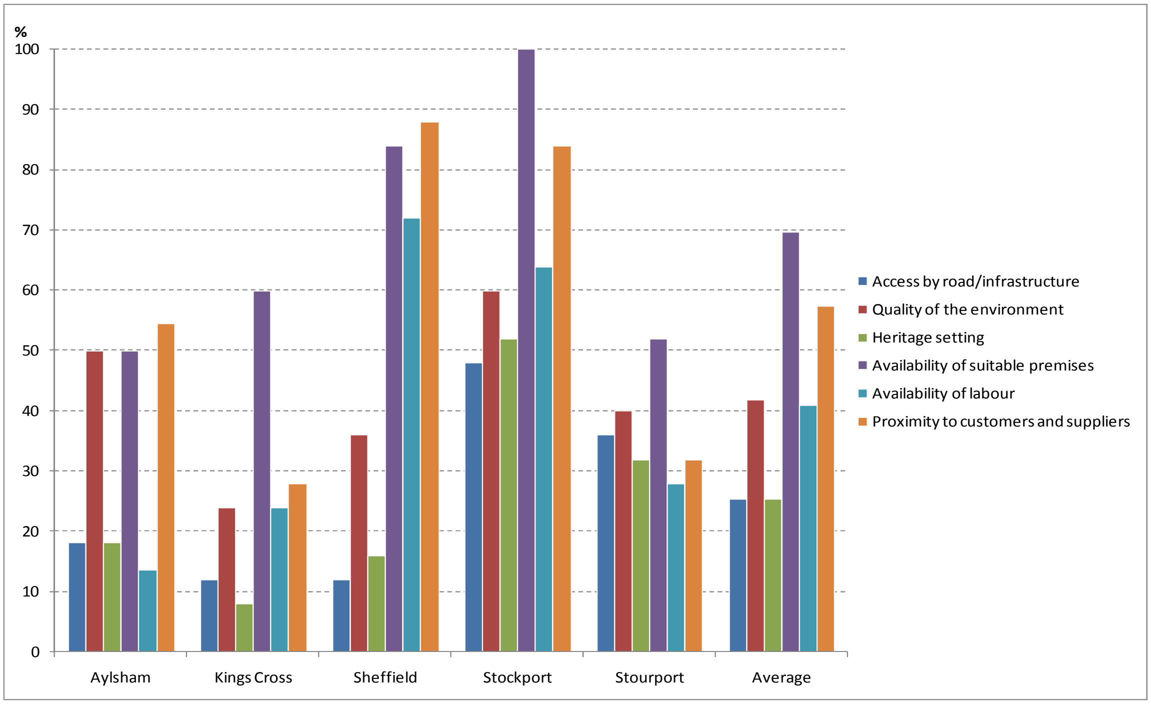
Figure 4.10b: Impact on heritage across all case study areas



Note: Of the respondents to this question, 90% had lived/worked in the area prior to the implementation of the project

Across the five case studies, 25% of the 122 business respondents agreed or strongly agreed that a heritage setting was an important factor in the decision to locate within the area. As shown in Figure 4.11, in terms of influence, heritage ranked equal with road access as a determinant, but below quality of the environment, availability of premise, availability of labour and proximity to customers and suppliers. This is not unexpected given the competitive pressures faced by businesses. Moreover, as identified in Section 3, the historic environment may be more important to certain types of business (for example, small independent firms) than others.

Figure 4.11: Factors affecting business location decision



Note: Graph illustrates the percentage of respondents who 'strongly agree' or 'agree' that a specific factor was important in terms of the decision to locate in the area

4.3.9 Enhanced image of local areas

Evidence from the survey of residents, workers and visitors within the case study areas suggests that investment to enhance historic buildings and places has a positive impact on the image of an area. Figure 4.12a shows that 93% of 711 respondents indicated that the intervention had improved the image of the immediate project area. Further to this, some 91% of respondents said that the project had resulted in an improvement in the image of the wider town or city, as illustrated in Figure 4.12b.

Figure 4.12a: Improved the image of this part of town

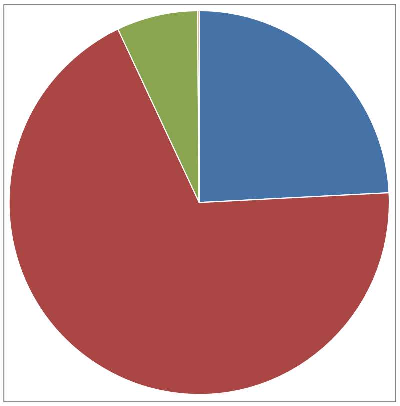
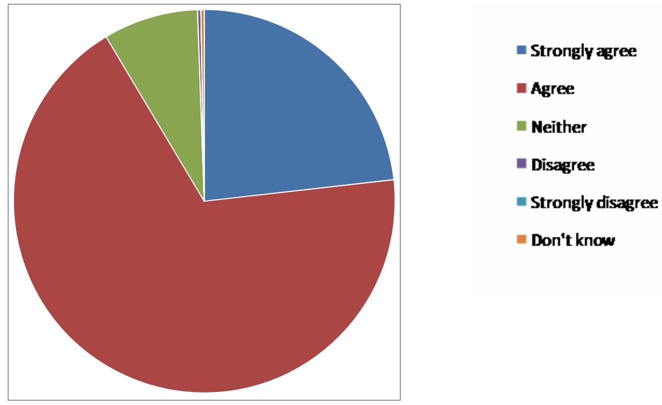


Figure 4.12b: Improved the image of the town as a whole



Note: Of the respondents to this question, 100% had lived/worked in the area prior to the implementation of the project

The response from businesses was more muted, although still positive. Across all case study areas, some 63% of businesses responded that investment in the historic environment had enhanced the image of the project area and the town as a whole. However, 15% indicated that they thought the project had not had any significant impact on the image of the local area. Further to this, just 46% of respondents said they thought the investment had resulted in an increase in the number of visitors. The survey sample for the business survey was, however, relatively small compared to the 'on-street' survey and a number of the businesses interviewed were not visitor based.

Figure 4.13a: 'On-street' survey

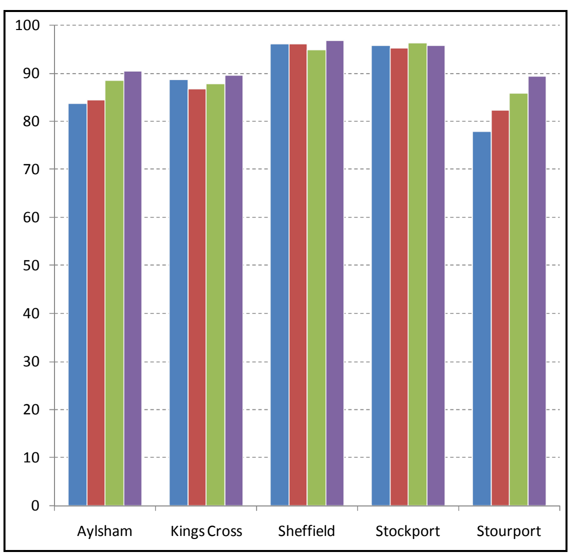
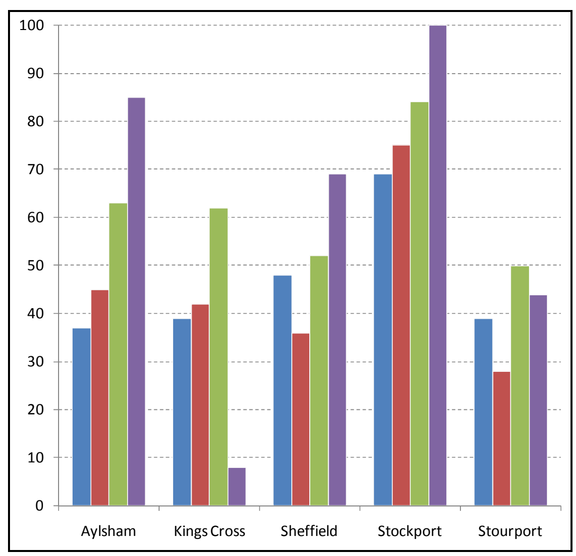
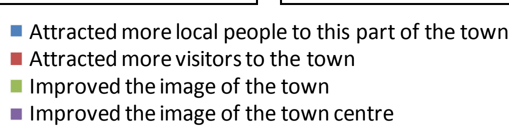


Figure 4.13b: Business survey





The survey of project consultees further highlighted the role of heritage regeneration investment in improving the image of a town or city, although it also suggested that the scale of impact was dependent upon the size of the project.

The project manager for the Curson Lodge project in Ipswich indicated that the refurbishment had resulted in some improvement in the image of the area in the immediate vicinity of the building, but that its wider impact on the image of Ipswich had been limited. Against this, major historical regeneration projects such as Gloucester Quays, Liverpool Albert Dock and Fort Dunlop in Birmingham were considered to have had a profound effect in transforming the wider image of each respective city.

4.3.10 Regeneration catalyst

Major interventions, such as that at Gloucester Quays where investment by the Homes and Communities Agency (HCA) and the Southwest Regional Development Agency (SWRDA) facilitated the redevelopment of the historic Quays site, have acted as focal points to wider regeneration. Gloucester Heritage Urban Regeneration Company is responsible for developing and implementing a strategic vision to tackle economic and social problems within Gloucester and to secure the regeneration of the centre area. Heritage underpins this vision, and is fundamental to regeneration proposals for the city. The Quays has been the most significant regeneration project to date, drawing in substantial private investment and generating a significant number of visits to the city centre. The Designer Outlet centre (the first major phase of the project to be completed) has delivered a retail offer that complements the city centre. It provides an important amenity for local residents and ensures that a greater proportion of local spend is captured within Gloucester centre.

The catalytic impact of heritage regeneration investment is also evident for smaller scale HERS and THI projects involving grants to businesses to facilitate the improvement of business premises, particularly shop frontages, within a town centre. The survey of project consultees in terms of both the West Auckland and East Lindsey schemes indicated that through investment to enhance the appearance and viability of the historic environment, new businesses have occupied premises while existing businesses have been retained. Further to this, the improvement in the appearance of town centres resulting from this investment has encouraged other businesses to invest in improvement works.

4.3.11 Sustainability

Research conducted by English Heritage in 2004[28] demonstrated that the demolition of old buildings uses more energy than their refurbishment. Demolition and construction accounts for 24% of the total annual waste produced in the UK. Further research commissioned by The Heritage Council[29] found that the costs of maintaining and occupying a Victorian terraced house, when considered over a 100-year period, are almost 30% cheaper than those of a house built in the 1980s. A study carried out in Ireland, referenced by English Heritage, showed that a

[28] English Heritage (2004) *Heritage Counts - State of the Historic Environment Reports 2002 – 2004*
[29] The Heritage Council (2004) *Built to Last – The Sustainable Reuse of Buildings*

refurbished existing building perform better in environmental terms than a hypothetical newly constructed building on the same site[30].

The reuse of existing historic structures forms an integral part of many of the case studies reviewed as part of this study. The restoration of the historic Albert Dock in Liverpool involved the redevelopment and refurbishment of in excess of 115,000 sq m of floorspace, transforming the derelict warehouses into hotel, retail, leisure and residential accommodation. The restoration scheme came forward as a result of substantial public sector investment in the wake of intense pressure for development. Under an alternative proposal, much of the original dock complex would have been demolished and new accommodation erected.

The capacity of historic buildings to accommodate modern activities through adaptation is also demonstrated by many of the other case study projects. The transformation of the 12ha Gloucester Quays site has resulted in the restoration of 14 historic buildings, leading to the creation of approximately 28,000 sq m of new retail space. Fort Dunlop, another major regeneration scheme, created almost 40,000 sq m of primarily office floorspace with the capacity to accommodate up to 2,250 jobs. The adaptation of the historic environment in both instances resulted in the delivery of high quality employment accommodation and avoided generating substantial demolition waste or emissions through the construction process.

[30] English Heritage (2004) *Heritage Counts - State of the Historic Environment Reports 2002 – 2004*

5 Conclusions

The analysis has found strong evidence of the benefits of heritage led regeneration. It demonstrates that towns and cities that are known for having historic environments are often highly regarded as places people want to visit. This is shown in simple terms by a strong correlation between the number of listed buildings that a town/city has and both the extent to which it is seen as a desirable destination and is likely to be visited.

In addition, historic buildings and places provide the opportunity for types of commercial activity that might otherwise not have the chance to develop. It, in particular, enables locally owned and unique businesses to operate. These are, depending on the circumstances, typically office and/or studio based businesses, shops and restaurants.

Historic environments provide a setting for restaurants and bars to thrive. This creates urban 'oases' which have a feel and vitality that is often very different from the main high street shopping areas. They frequently provide a more independent orientated leisure offer than other parts of towns and cities, where high street bars and clubs congregate in larger premises. They typically become the primary place within the town or city for people to socialise and are often primary locations for cultural activity.

This combination of a distinctive environment and unique businesses is central to towns and cities developing a sense of place that distinguishes them from others. There is direct evidence from research in Plymouth of how the combination of a historic environment and the commercial activity that takes place in it is the main reason why people are likely to visit from a significant distance.

The same is almost certainly true of places, like Brighton and the West End of London, that have been notably successful in using historic buildings and places to create experiences that are different to those which anywhere else offers. It is also true of developments, like Regent Quarter, that use heritage assets to create an office environment that is especially attractive and, therefore, can attract high quality tenants.

There has been much talk in recent years about 'Clone Town' Britain, where every high street is much the same. The same could be said of office quarters. The global economy has meant, in fact, that high streets and office developments in other parts of the world are increasingly likely to have a similar look to those in the UK. Examples studied in this report, from the West End of London to Stockport, demonstrate that historic buildings and places can help to stimulate diverse shopping experiences, as they invariably nurture experiences that are unique.

The analysis suggests that making the most of historic buildings and places is an important way to develop groups of businesses that are unique to the area. This reinforces the thrust of PPS5 that it is important that planners understand the historic environments in their areas and what could be done with them.

Primary survey work undertaken as part of this study demonstrates that the heritage-led regeneration can create a number of economic, social and environmental benefits. By investing in their heritage assets, areas across the country have experienced increased business turnover, due to the area becoming more attractive to local residents, workers and visitors. This has positive effects in terms of creating additional economic activity and new employment opportunities for local people.

The impact of historic environment regeneration on business turnover, GVA and employment was assessed for five case studies in detail. In all of the case studies, the investments were found to have had a positive effect. In the case of the Stourport Canal Basins, for example, the cumulative ten year impact on business turnover and GVA was estimated to be up £38.4 million and £11.5 million respectively, with some 55 jobs supported.

Where public sector funding had been provided, the return on this investment varied, but overall was similar to comparable value for money benchmarks for public realm interventions. A weighted average analysis of the case studies indicated that for every £1 of public sector expenditure in the historic environment, there is a return of £1.60 cumulative net additional GVA over ten years. The quantitative economic benefits alone therefore more than exceeds the costs. The average public sector cost per net additional job was estimated to be £126,700.

In addition to economic benefits, it is also evident that heritage-led regeneration leads to a number of less tangible, but equally important, wider social, cultural and environmental benefits. A survey of nearly 1,000 people and interviews with over 120 businesses, along with consultations with individuals involved in the implementation of the case study projects, highlighted a range of social and environmental impacts that are strongly associated with improvements to historic buildings and places. The results of the 'on-street' survey identified that:

- 93% of respondents rated the projects assessed as making a good or very good contribution to the local environment;
- over 90% of respondents indicated that investment in the historic environment had resulted in a nicer place in which to live, work and socialise, as well as a more attractive visitor destination;
- some 92% of those that responded indicated that they would rate the projects assessed as either good or very good in terms of raising pride in the local area, while 93% rated the projects as good or very good in terms of creating a sense of place;
- 89% of respondents agreed or strongly agreed that the investment has created an environment with an enjoyable atmosphere and over 80% that the local areas are pleasant places to spend time in during the evening;
- approximately 95% of respondents agreed or strongly agreed that the project areas were now a good place to meet friends;
- perceptions of safety had also improved – the proportion of respondents that indicated positive feelings of safety increased from 81% to 91% during the day and from 85% to 94% after dark;
- the historic environment contributes to determining where people choose to visit, with 91% of respondents identifying it as an important or very important factor. The influence of historic buildings and places in decisions about where to live and work appears to be

somewhat lower at 74% and 68% respectively, but still a significant proportion of respondents; and

- 93% and 91% of respondents indicated that the project had improved the image of the immediate project area and of the wider town or city respectively.

In terms of businesses, the survey results showed that a quarter of respondents agreed or strongly agreed that a heritage setting was an important factor in the decision to locate in an area. Some 63% of business respondents indicated that the investment in the historic environment had enhanced the image of the project area and the town as a whole.

In many cases, the survey of project managers highlighted the important role that community and voluntary sector groups play in heritage-led regeneration schemes, as well as a scheme's role in fostering community cohesion. The historic environment can also form a focal point for the wider regeneration of an area. In addition, previous research has highlighted that, for example, the demolition of old buildings uses more energy than their refurbishment.

Overall, this study has found strong evidence that heritage-led regeneration can have a significant positive impact. This is likely to come from the nature of businesses that locate in historic environments, along with the enhanced appeal of places that have invested in their heritage assets to local residents, workers and visitors.

Appendix A – Background literature

Key policy and strategic documents

Better Places to Live: Government, Identity and the Value of the Historic and Built Environment, DCMS, 2005

Culture at the Heat of Regeneration, DCMS, 2004

English Heritage Strategy 2005 – 2010: Making the Past Part of Our Future, English Heritage, 2005

Heritage Protection for the 21st Century, DCMS,

Planning Policy Statement 5: Planning for the Historic Environment, CLG, 2010

Power of Place: The Future of the Historic Environment, English Heritage, 2000

PPS5 Planning for the Historic Environment: Historic Environment Planning Practice Guide, CLG, English Heritage and DCMS, 2010

Review of Heritage Protection: The Way Forward, DCMS, 2004

The Government's Statement on the Historic Environment for England 2010, DCMS, 2010

The Role of Historic Buildings in Urban Regeneration, House of Commons, ODPM: Housing , Planning, Local Government and the Regions Committee, 2004

Valuing our heritage, investing in our future: Our Strategy 2008 – 2013, HLF, 2009

World class places: The Government's strategy for improving quality of place, CLG, 2009

Selection of existing research documents

Capturing the Public Value of Heritage, English Heritage, 2006

Demonstrating the Public Value of Heritage, The National Trust, 2006

Economic Impact of HLF Projects, GHK, 2009

Economic, Social and Cultural Impact of Heritage in the North East, Arup, 2005

Heritage Counts 2003: Historic environment and the economic value, English Heritage, 2003

Heritage Counts 2009: Historic environment and sense of place, English Heritage. 2009

Heritage Works: A Practical Guide to the Role of Historic Buildings in Regeneration, Drivers Jonas, undated

New Life: Heritage and Regeneration, HLF, 2004

Regeneration and the Historic Environment: Heritage as a Catalyst for Better Social and Economic Regeneration, English Heritage, 2005

Social Impact of Heritage Lottery Funded Projects, Applejuice Consultants, 2008

The Economic Impacts of Funding Heritage, ECOTEC, 2006

The Heritage Dividend Methodology: Measuring the Impacts of Heritage Projects, English Heritage, 2005

The Value of Public Space: How high quality parks and public spaces create economic, social and environmental value, CABE, 2002

Townscape Heritage Initiative Scheme Evaluation: Five Year Review Report, Oxford Brooks University, 2008

Valuation of the Historic Environment: The scope for using results of valuation studies in the appraisal and assessments of heritage-related project and programmes, eftec, 2005

Appendix B – Case studies

Albert Dock, Liverpool

The Albert Dock is situated on Liverpool's historic waterfront and consists of the largest group of Grade I listed buildings in the country, spanning over 100,000 sq m. The Dock was officially opened in 1846 by Prince Albert, but after 1920 there was virtually no commercial shipping activity due to it being unable to accommodate the larger iron and steel ships. After decades of disuse, it was finally closed in 1972. Despite being given listed building status in 1952 and becoming a Conservation Area in 1976, the Albert Dock became continually more run-down, suffering from neglect and abandonment.

By 1981, acute economic decline and restructuring over a number of decades had devastated the City's South Docks. The port and related industries had contracted and closed, leaving redundant and vacant land and buildings. The Albert Dock itself was left unused and the dock silted up.

The refurbishment of the Albert Dock commenced in 1982, carried out by the Arrowcroft Group in conjunction with the Merseyside Development Corporation, with the first phase opened in 1984. Work continued for the next decade, with the final areas of the Dock developed in 1998/99. The aim of the overall scheme was to transform the derelict dock and warehouses into a sustainable, vibrant and commercially viable tourist attraction.

Following around £40 million of public sector support and £150 million of private sector investment, the Albert Dock is now the site for a mix of commercial and residential uses, as well as housing a number of unique visitor attractions, such as Tate Liverpool. In total, the redevelopment of the Dock has created around:

- 21,000 sq m of office space;
- 18,000 sq m of shops/bars;
- 19,000 sq m of hotel space;
- 30,000 sq m of attractions, including Tate Liverpool, the Merseyside Maritime Museum and International Slavery Museum; and
- 29,000 sq m of residential accommodation.

Over 2,000 people are employed at the Dock and it is estimated that around 4 million people visit each year, making the Albert Dock the most popular free tourist attraction in the North West. From its disused and derelict state prior to 1982, the Dock has now become a popular centre for leisure and tourism, as well as an attractive place in which to live and work due to its unique, historic location.

The reclamation and refurbishment of the Albert Dock has been pivotal in the regeneration of Liverpool and the wider city region, particularly in establishing the City as a key tourism destination. In the early 1980s, there were no major tourist attractions in Liverpool and, other than at the Pier Head, the City's historic waterfront was inaccessible to the general public. The redevelopment of the Albert Dock has transformed it into a major leisure and visitor destination, bringing additional economic activity and investment into Liverpool and Merseyside.

Aylsham Heritage Economic Regeneration Scheme

The Heritage Economic Regeneration Scheme (HERS) invested over £300,000 of Council and English Heritage funds in Aylsham's historic environment over a four year period, between 2004 and 2007. Aylsham is a historic market town on the River Bure in north Norfolk and has over 20% of the district's listed buildings.

The scheme initially involved the provision of grants to support work on domestic and commercial buildings, but later switched to focus on commercial buildings and work to the public domain. Grants were funded 50% by English Heritage and 50% by Broadland District Council. For most projects, the grants represented 80% of the total project cost and 100% for public realm works.

Examples of projects supported through the scheme include the restoration of a 17th century shop, renovation of small workshops for office use and the replacement of unsympathetic, relatively modern, shop fronts with ones of more appropriate traditional design. Public realm works included the installation of historic information panels around Aylsham town centre.

The private sector, local residents and community organisations were all involved in delivering the scheme, along with Norfolk County Council, who was the main delivery partner for public realm projects.

The objective of the overall scheme was to maintain the historic fabric of Aylsham to help it establish a niche as a successful market town, attracting both local residents and visitors. The provision of grant support enabled a number of historic buildings to be brought back into active use, as well as providing improved retail and leisure space.

The renovation of historic property and branding of Aylsham under Cittaslow (see below) has revitalised the image of the town and establish a niche for local products. It is considered that this has been an important factor in helping to lessen the effects of the recession on the local economy.

The scheme was extended for a year in recognition of the efforts being made by the Town to build on its unique heritage, culminating in its being awarded Cittaslow status (only the second town in Britain to gain this honour). Cittaslow is an international network of towns, spreading across 20 different countries, who have adopted a set of common goals and principles to enhance the quality of life for residents and visitors.

The responses to the 'on-street' survey carried out within Aylsham as part of this study highlight how the scheme has contributed towards creating a place where people want to live, work and visit, with many people emphasising how the image of the area has improved and is now more in keeping with the town's historic nature.

Aylsham Green before

Aylsham Green after

Postle's before

Postle's After

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Cromford Mill, Derbyshire

Cromford Mill, in Derbyshire, was built in 1771 and was the world's first successful water powered cotton spinning mill. Following its initial construction, a number of warehouses and workshops were developed around the mills, which now form the Cromford Mill site. Over the years, the buildings at Cromford Mill have been put to various uses, including a brewery, laundries, cheese warehousing and, finally, in 1922 a colour works.

In 1979 the site was vacated by the Cromford Colour Works and left abandoned, with many buildings heavily contaminated. All of the key buildings had fallen into disrepair and many of the historic features of the site had been lost, leading to the view that the site should be demolished. However, a reappraisal of the site, following the clearance of the modern buildings, led to the mill complex gaining Grade I status and it is now part of the Derwent Valley Mills World Heritage Site.

The Cromford Mill scheme involved the acquisition, conservation and regeneration of the site, as part of a multiphase programme between 1979 and 2009. This involved the progressive conservation of the ancillary buildings, for use as a restaurant, retail/small business premises and a conference centre, repair of the main buildings and refurbishment of the canal wharf warehouses. Business planning for a World Heritage Site Visitors Centre and a number of small business units is currently ongoing.

The aim of the scheme has been to reuse the buildings on the site in ways that will provide them with a sustainable future, as well as offering year round employment that will contribute positively to the local economy. In doing so, the Arkwright Society, who are responsible for the implementation of the scheme, are committed to using the highest standards of repair and conservation practice.

A range of partners have been involved in delivering the scheme, including English Heritage, the Heritage Lottery Fund (HLF), Derbyshire County Council, East Midlands Development Agency and Derby and Derbyshire Economic Partnership, along with a range of other private, voluntary and community bodies. To date, some £7 million has been invested in the site, with 30% of funding being provided by the HLF, 30% by English Partnerships and the remainder coming from other funders, material sponsorship and local fundraising.

The Cromford Mill site now provides accommodation for a range of businesses, as well as hosting exhibitions and a varied programme of events throughout the year. Businesses on the site include the Karten CTEC Centre, which provides the local community with training facilities. In total, the buildings on the site provide around:

- 900 sq m of office space;
- 1,900 sq m of retail space;
- 500 sq m of restaurant/café space; and
- 500 sq m of exhibition/meeting space.

There is a further 3,700 sq m of space that is currently unused. Some 20 full-time equivalent jobs are believed to be supported through the commercial activities on the site and it is estimated that Cromford Mill currently attracts some 100,000 visitors per year. Training is also provided in building craft skills, retail, and catering, as well as work experience opportunities for local schools and colleges.

Curson Lodge, Ipswich

Curson Lodge is a 16th century, Grade II* listed, timber framed building situated in a prominent position on the corner of four streets at the heart of historic Ipswich. It bears a plaque to Cardinal Thomas Wolsey, whose childhood home stood opposite. The building contained a major structural problem in terms of a large central chimney, which was a deterrent to any future commercial buyer. Many aspects of the building had become inaccessible and it was considered more or less unusable without complex and expensive structural repairs.

The building stood empty for a number of years and was placed on the Building at Risk register. A structural survey in 1998 recommended that the entire chimney stack should be demolished. However, in 2004, the Ipswich Building and Preservation Trust appointed a conservation architect, Hilary Brightman, to prepare a feasibility study on the repair and restoration of the building. Following the award of grant support from English Heritage, work was able to start in late 2006 and was completed in September 2007, winning an Award of Distinction from the Ipswich Society in November 2007.

The project, carried out by the Ipswich Building Preservation Trust, has involved the repair and conservation of the existing fabric and conversion of the ground floor into 2 retail units and the upper floors into 2 flats. This is consistent with the aim of ensuring that the building could once again be put to beneficial use in order to secure its long term future. Following completion, the first shop and flat sold in August 2009. The sale of the remaining shop and flat has been agreed, subject to contract.

In addition to the creation of new retail and residential accommodation, the project has involved intricate repair; the resolution of complex structural problems; the unpicking of the use of some inappropriate materials from 1930s alterations; recovery and careful matching of architectural features such as panelling; conservation of historic wallpapers and painted decoration; and imaginative upgrading of the thermal performance in terms of energy conservation.

Decorative details of wall paintings and 18th century wall paper have been retained, and a 17th century ceiling with roses has been carefully restored. The exterior of the building has been repaired and conserved, with a rare medieval window uncovered behind plasterwork. Timber repairs were also carried out to the roof, along with improvements to the rainwater drainage system and enhanced thermal insulation.

The total cost of the project was £650,000. Grant aid was provided by Ipswich Borough Council (£20,000), English Heritage (£45,000) and £585,000 was provided through loan funding and the Trust's own funds, which it is expected will be recouped from the sale of the properties. The longer than anticipated time that it has taken to dispose of the building (3 years after completion) has been attributed to the effects of the recession and downturn in the commercial and residential property market.

The restoration and repair of Curson Lodge is a successful example of the Ipswich Building and Preservation Trust's aim of carrying out conversions that are not commercially attractive, and thereby saving buildings that would otherwise be lost. Although on its own the project may not result in a major economic impact, it is a key part of a wider goal, as recognised by the Trust – "*the people of Ipswich benefit from living in a town which has buildings of greater architectural and historical interest and a stronger visual character and sense of place than would be the case without it*".

Curson Lodge before

Curson Lodge after

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East Lindsey Heritage Economic Regeneration Scheme

The East Lindsey Heritage Economic Regeneration Scheme (HERS) was a conservation-led economic regeneration programme for Burgh le Marsh, Tattershall, Woodhall Spa and Wragby, administered by East Lindsey District Council. It was completed over a five year period, between 2003 and 2009, and aimed to make these centres more attractive places in which to live, work, visit and invest by restoring historic commercial buildings. The scheme sought to enable historic buildings to become usable and viable in the modern economy, while retaining and enhancing their historic character.

Grants were provided for the repair and restoration of a number of buildings in the areas concerned, the majority of which were owned by small businesses. Overall, there were 32 individual projects with a total value of around £990,000. The average project cost was approximately £35,000. Public sector funding accounted for between 50% and 80% of the total cost of each project, depending on the types of work being undertaken.

English Heritage, East Lindsey District Council, Lincolnshire County Council and the European Regional Development Fund provided the main sources of funding for the scheme. Burgh le Marsh Town Council, Tattershall, Woodhall Spa and Wragby Parish Councils also contributed to the scheme. Local business owners contributed by providing match funding for the repair/restoration works to their own buildings. In addition, local groups were able to have a say on where the money was spent and the design of new public realm works.

The nature of the works varied between each project and encompassed: the reinstatement of traditional shop fronts, which was seen as a priority; the reuse of vacant and underused floorspace and vacant sites; the reinstatement of traditional building materials and architectural features, including, for example, sash windows and traditional external doors; and repairs to the exterior of historic buildings, such as general structural repairs and repairs to roof structures, chimneys, leadwork, brickwork, windows, doors and other external joinery.

It is considered that the scheme has helped to encourage private sector investment within the historic environment and raise confidence in the local areas concerned. It addressed a backlog of repairs and a legacy of inappropriate alterations to commercial properties, which had affected the viability of businesses and the character and appearance of the conservation areas involved. This in turn was affecting the success of the villages covered by the scheme as economic centres.

The utility and overall amenity of the places involved has been improved, both for local residents and businesses, as well as for visitors to the area. At the individual project level, the scheme has provided businesses with accommodation that is fit for purpose, while maintaining its historic appeal. For local residents and visitors, the overall improvements to the areas involved and the conservation of the historic environment has helped to create attractive places in which to shop and spend time.

A large part of the scheme's success is attributable to the distinctive sense of place historic environments can create. The towns and villages covered by the East Lindsey HERS are good examples of how people are drawn to traditional streets of small shops due to their unique appearance and character. Investing in such attributes can therefore help to boost economic activity and increase the vitality of an area.

Fort Dunlop, Birmingham

Fort Dunlop in Birmingham is an iconic landmark, located alongside the M6 motorway, and was once one of the world's largest factories. The building itself is 52 meters deep and the south side measures 24 meters in height and 130 meters in width. It was built in 1916 by the former Dunlop Rubber Company, since when a number of other offices, factories and buildings have been built on the site surrounding the original factory. After the closure of the former tyre factory, the building was left derelict and unused for over 20 years.

In 1999, the building was acquired by Urban Splash and proposals for its redevelopment were drawn up in conjunction with Advantage West Midlands. Planning consent for a mixed use scheme was received in 2002 and work began on transforming the building into a unique office, leisure and retail destination, reflecting its prominent position just 10 minutes from Birmingham city centre.

The aim of the project was to regenerate this iconic building, giving it a viable use and maximising the opportunities Fort Dunlop provided in terms of creating new employment and driving forward the renaissance of Birmingham. The redevelopment of Fort Dunlop was considered to be a key element in the regeneration plans for the city and wider region, as reflected by the support of Advantage West Midlands for the project.

Advantage West Midlands contributed £10 million towards the costs of the scheme, with £25 million provided through bank funding and the remaining £15 million from Urban Splash's own resources. The commitment of both the public and private sector partners has enabled Fort Dunlop to become an established destination for business and enterprise, and it is estimated that around 2,000 people are now employed at the site. After the completion of the scheme in 2008, the site now provides around:

- 32,500 sq m of office space;

- 3,000 sq m of retail and leisure space (including shops, restaurants, bars and cafés); and
- a new 100 bed hotel.

Despite its significant transformation, Fort Dunlop remains an architecturally iconic building, with consideration given to ensuring that the building's character has been retained whilst enabling its viable use. The qualities of the original building have been preserved and enhanced and the new additions have been sensitive to its historic character. It therefore offers a unique location for businesses, that is both attractive and distinctive and also meets the needs of modern businesses in terms of the spaces and facilities it provides.

Gloucester Quays

Gloucester Quays straddles the Gloucester and Sharpness Canal and is the largest of sites within the Gloucester Heritage Urban Regeneration Company area. The site, which covers around 25 hectares, had been an industrial area to the south of the city's historic docks, consisting mainly of 19th century and 20th century industrial and storage buildings, many of which have become derelict and disused. The majority of the site is currently either owned by British Waterways and Peel Holdings. It forms a key component of the ongoing regeneration of Gloucester and its heritage assets.

The vision of Gloucester Heritage Urban Regeneration Company is to *"bring life back to the historic areas of Gloucester, reflecting their special character while creating a new, prosperous, attractive, safe, sustainable urban centre for the 21st century"*. The redevelopment of Gloucester Quays is seen as a key element to achieving this vision and is identified as one of the major redevelopment sites that will drive forward the regeneration of Gloucester.

The site is being developed in a series of phases, with the major phase, the Designer Outlet Centre, opened in May 2009. A new superstore has also opened along with a new 106 bed hotel. Further phases will open as shops/restaurants are let. The first phases of the project are considered to represent the largest single regeneration scheme ever undertaken in Gloucester. So far, around 27,800 sq m of retail space has been created, including a number of new bars and restaurants, generating an estimated 680 jobs. The project has also led to the restoration of 14 historic buildings and 12 hectares of derelict land.

The development of the Designer Outlet Centre involved a partnership between Peel and British Waterways, with £134 million of private sector investment going into the first phase. Some £6 million of public sector funding from the HCA has also been provided. The public sector funding was an essential part of the project, as it enabled the necessary road access to the scheme to be created (a bridge across the Gloucester and Sharpness canal).

In the first year of operation, the Designer Outlet Centre is judged to have attracted approximately 2 million visitors. This represents a slight underperformance against the original target, which has been attributed to the recession, although it still equates to a significant increase in the levels of economic activity in the local area. More generally, it is considered that the scheme has succeeded in generating a new attitude to Gloucester and provided the momentum for further regeneration.

One of the key benefits of the redevelopment of Gloucester Quays has been the improved linkages with the regenerated historic docks and the city centre of Gloucester, helping the city to establish itself as a visitor destination. The project has provided a catalyst and focus for other major investment within the wider area and the re-use of existing historic buildings, alongside new extensive construction and infrastructure works, has demonstrated the successes that can be achieved through heritage-led regeneration.

Prior to development

People in the Designer Outlet Centre

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Newburgh Street, West End

Newburgh Street is a small street lined with historic buildings running parallel to Carnaby Street, in London's West End. It contains a row of Georgian shops and is the focus for a cluster of listed buildings. It has smaller units and less passing footfall than Carnaby Street, but benefits from a range of independent, unique retail businesses, including a number of one-off fashion boutiques, that coupled with its cobbled streets and historic character have helped give the area a distinctive appeal.

The regeneration of Newburgh Street was led by the private sector, in the form of Shaftesbury plc. Shaftesbury plc's strategy is to buy property in zones that are dominated by historic buildings and streetscapes and then to transform those zones. They have secured the maximum value from Newburgh Street by gradually upgrading the streetscape and the buildings, having a clear vision of the type of occupier that is suited to the street, and active management in partnership with the local authority.

Shaftesbury plc has used the qualities of Newburgh Street, particularly its historic environment, to attract independent fashion designers. A restaurant and pub, both with outdoor seating, provide the leisure dimension and creates a relaxed, communal environment for residents and workers in the area to socialise in. The upper floors have been refurbished and are used for offices. The offices on Newburgh Street are occupied by small businesses, orientated towards creative industries. This mix of uses has helped to enhance the vitality of the area during both the day and at night.

Shaftesbury plc has worked in partnership with the local authority in relation to Newburgh Street. Westminster Council does the street cleaning, but Shaftesbury plc employs cleaners, working 24 hours and day, 7 days a week, to make sure that the area is always well maintained. Street furniture belongs to the Council and they are responsible for repairs, but Shaftesbury pays for or subsidises work when they want improvements and/or council funds are not sufficient.

Property agents assert that one of the useful functions that historic environments provide is accommodation for small businesses, sometimes in start-up phases, on flexible and cost effective terms. This is the case on Newburgh Street. The rents for the shops are considerably lower than on Carnaby Street and the rents for the offices are also relatively low for the West End. This has contributed to attracting small, independent businesses that have helped differentiate the area from elsewhere.



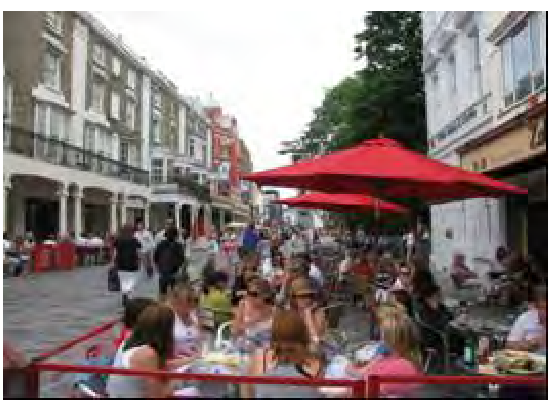
New Road, Brighton

New Road sits at the heart of Brighton's cultural quarter, linking the Royal Pavilion gardens to the new library. Prior to the recent investment in the public realm, New Road was a fairly unwelcoming street, with narrow footways, few places to site and relax and an environment that failed to integrate successfully the needs of the different users of the street. In particular, New Road in itself was not an attractive place for people to come and spend time, despite it providing the main access to the Theatre Royal and Pavilion Theatre.

Given its important location and use, Brighton Council was determined that the potential of the street should be realised. In 2007, the Council commissioned a design team to assess how the streetscape could be enhanced, investing £1.45 million towards its improvement. New Road is now a good example of how historic environments can be vibrant, unique areas that provide an opportunity for people to relax and socialise. It is a 'shared space' scheme, which means that vehicles are still allowed to use it although pedestrians are given priority. It has become the focus for the cultural quarter and is used regularly for events such as farmer's markets and festivals.

A much more pedestrian friendly environment has been created, with the clutter that used to characterize the street removed. The layout of the street surface and furniture has been designed to encourage defensive driver behavior and the environment is now much less hazardous. The street is no longer divided into separate spaces for different users, but is instead a shared space that is able to accommodate the more informal uses associated with theatres, cafes and restaurants. As a result, New Road has now become one of the most popular visitor attractions in the city.

New Road is an important part of Brighton and Hove's strategy to create a more mature and balanced night economy (the City is a beacon council for management of the night economy). The Council has encouraged restaurants, cafés and bars to use the street for continental style outdoor seating. The photographs below clearly show the leisure-orientated nature of the occupiers that have been able to make use of the public realm created on New Road.



North Shields Fish Quay

North Shields Fish Quay is a fishing port located close to the mouth of the River Tyne, dating back to the 13th century, and consists of a series of quays surrounding a central harbour, known as the Gut. It contains a Scheduled Ancient Monument in Clifford's Fort, which was built in the 17th century as part of a network of coastal defences against the Dutch. The area surrounding the Quay is mainly commercial, with many traditional small and medium sized businesses associated with the fish catching, processing and merchanting industry.

The decline in the local fishing industry, caused to a large extent by the reduction in North Sea stocks, resulted in much of the area becoming derelict and under-used, although it has maintained its status as a popular tourist destination for the region. The Fish Quay suffered from a protracted period of neglect and under-investment, which led to an erosion in the quality of the historic environment.

In 2001, following the commission of a regeneration strategy and master plan for Fish Quay by North Tyneside Council, a programme of improvement works was initiated, aimed at reversing the terminal decline suffered by the area. The vision was for Fish Quay to *"become a vibrant, distinctive mixed use community taking full advantage of its location, built form and heritage potential"*. Since this time, several projects have been completed that have sought to rejuvenate the area by bringing back into use derelict historic buildings, mostly in the form of SME accommodation.

The projects have been funded by North Tyneside Council, Tyne and Wear Partnership and ONE North East. The aim has been to find building solutions that preserve the original character of the area, while also ensuring the buildings can provide viable accommodation for a commercial end user. Regeneration of North Shields Fish Quay is still ongoing, but projects that have been successfully delivered include:

- Working above the shops – refurbishment of shop units to provide workspaces for SMEs and improvements to the public realm. Funding of £1.8 million was provided through ONE North East and North Tyneside Council;

- Vita House – repair and refurbishment of a former fish processing building, located next to Clifford's Fort, in order to create new small workspaces for SMEs. The capital costs amounted to £525,000, all of which was met by the public sector;
- Smokehouses – repair and refurbishment of five disused buildings, one of which is listed, for use by SMEs, supported through the provision of £1.1 million of public sector funding; and
- Food Park – remediation of brownfield land, installation of improved infrastructure and construction of buildings for use by food processors, with funding of £4.4 million provided by One North East and North Tyneside Council.

North Tyneside Council has led on all main aspects of the regeneration programme, with substantial community involvement. The public sector investment in the local area has helped to increase confidence, resulting in private sector investors now viewing the area as a prime location associated with business excellence and growth. It is considered that the unique character of the area has helped it manage the challenges posed by the recent recession and given it a competitive advantage over other business locations.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Quayside Barbican, Plymouth

Plymouth's Barbican consists of bustling narrow cobbled streets and a thriving quayside, on the edge of the city centre area. It forms the heart of the city's heritage. However, the townscape around the old harbour had severely deteriorated by the 1950s and, for a time, was under threat of demolition. The Barbican Association was formed to campaign for its preservation. Plymouth City Council owned most of the property and transferred long leases to the Association so that they could refurbish the property and maintain it in perpetuity.

The Sutton Partnership, a partnership between Sutton Harbour Company and Plymouth City Council, was established about six years ago as a delivery mechanism for regeneration around the harbour. The main developments were new build residential and office blocks overlooking the harbour and improvements to the public realm.

At the Barbican, the improvements to the streetscape and buildings, in particular on Quay Road, have allowed outside seating for restaurants. The Barbican has since evolved into the primary restaurant area in Plymouth. The main change in the overall tenant mix at ground floor level has been a substantial increase in the number of pubs and bars, although the area still has a vibrant mix of businesses, nearly all of them independent. Many of the establishments at the Barbican are unique or part of small chains.

The area has also steadily become the focus of other leisure and cultural activity and, for example, hosts the Plymouth Jazz and Blues Festival, which has evolved into one of the city's most popular events. There is office accommodation in upper floors, mainly occupied by professionals, and the area has a substantial residential population. This mixed use environment creates an attractive village ambience. This, in turn, has provided a focal point for new office and residential development around the harbour.

Regent Quarter, King's Cross

Regent Quarter covers an area of 5.8 acres, located opposite King's Cross station. Prior to development, it was a run-down, former 19th century industrial complex, which was substantially derelict and a magnet for anti-social activities. Two of the four city blocks that comprise Regent Quarter have now been developed, by P&O Estates, creating a mix of offices, homes, shops, restaurants, bars and leisure facilities, with a third block having received planning consent for a continuation of the mixed use scheme.

The redevelopment of Regent Quarter has seen the creative re-use of existing 19th century buildings to form a distinctive, mixed-use urban quarter based on the area's industrial heritage. The project has transformed redundant industrial, brownfield sites into an economically viable area, with a high quality historic environment.

The objectives of the project were to produce a 'sea change' in the reputation and economic character of the area by regenerating run down and out of use derelict sites, to produce a development where people would want to live and work whilst maintaining financial viability.

With the support of English Heritage, a plan for the area was developed that embodied the concepts of the re-use of existing buildings alongside new, contemporary additions and the creation of pedestrian routes linking the blocks and the series of former industrial courtyards into new public routes. The existing but disused courtyards were revitalised in order to capture the original character of the area and give access to the public.

The project has so far involved £105 million of private sector investment and has created:

- 19,500 sq m of office space;
- 3,250 sq m of retail space;
- 4,650 sq m of restaurant/café space;
- 1,200 sq m of leisure space;
- 98 residential units; and
- a new 277 bed hotel.

Fully occupied, it is estimated that the development could provide around 1,700 jobs, with many of these being accessible to local people. The project has also helped to attract new businesses and provided a catalyst for other developments in the local area, stimulating further regeneration. Moreover, the redevelopment of Regent Quarter has contributed significantly to creating a safer, more pleasant place to live and work.




Sheffield Cultural Industries Quarter Townscape Heritage Initiative

The Cultural Industries Quarter (CIQ) in Sheffield covers an area of around 24 hectares. It has developed over the past 20 years in a once derelict part of the city centre, located in a pivotal position between the Sheffield Railway Station and the heart of the City. The local area suffered from significant physical and socio-economic decline due to the collapse of many of the traditional local industries, including the steel, cutlery and tool making trades. A number of the historic buildings within the CIQ were lost and many of the others were left in a derelict or poor condition.

Following the regeneration and transformation of the CIQ, which began in the 1980s, it now forms the centre for a diverse range of organisations and businesses providing creative and cultural services, employing around 3,000 people. The CIQ is designated as a Conservation Area due to its special architectural and historic interest and includes nine listed buildings and many others of historical and architectural significance.

Between 2002 and 2007, some £3 million of public sector funding was provided through the HLF's Townscape Heritage Initiative in the form of grants for the repair and reuse of historic buildings in the area. Overall the scheme assisted seven projects that enabled the repair and reuse of some of the most significant and important historic buildings within the CIQ. These included the Grade II*listed Butcher Works, the Grade II* Sterling Works and smaller projects such as work to 92a Arundel Street.

The aim of the scheme was to repair and regenerate the historic fabric of the CIQ, contribute to the sustainability of the local economy and support the wide range of people and communities that live and work in the area. A key part of the scheme was ensuring that investment was made in the historic environment to run alongside new developments, thus maintaining the area's historic value.

Match funding of up to 50% towards the cost of eligible works on projects in the CIQ was provided, leading to high-standard historic repair and conservation. Overall, in addition to the £3 million of public sector funding, nearly £16 million of private sector investment was committed as part of the scheme.

The Townscape Heritage Initiative scheme has led to the creation of 131 new residential properties and a small number of live/work units in historic buildings in the quarter. This has attracted new residents to the area, helping to increase the vitality of the CIQ and supporting the further regeneration of the city centre. The project is seen as having made a significant contribution to the economic and cultural revival of the city and to improving the quality of life for all those who live, work and visit the CIQ.

Butcher works before

Butcher works after

Butcher works after

Scotia Works before

Scotia Works after

Scotia Works after

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Staircase House and Covered Market Hall, Stockport

The Market and Underbanks area is a designated Conservation Area, comprising Stockport town centre's historic core. It represents an area of substantial historic, architectural and archeological interest and includes a number of listed buildings and historic properties. Many of these buildings had become vacant and in a state of severe disrepair by the 1990s, with the area as a whole experiencing neglect and a lack of investment. There were very few facilities to attract visitors and shoppers and the area also suffered from poor linkages with the town's main shopping area.

A regeneration initiative scheme was launched in the mid 1990s that sought to make the Market and Underbanks area a more attractive place to visit, work, live and invest. The initiative has involved a number of interrelated actions aimed at restoring the area's key heritage assets and bringing vacant or underused space back into use, in the form of viable residential and business facilities.

Two key schemes that formed a key part of the regeneration of the Market and Underbanks area were the repair and restoration of the Grade II* listed Staircase House and the renovation of Stockport's Covered Market Hall – a Grade II listed building dating from 1861. The wider programme of works in the Market and Underbanks area has seen investment of approximately £35 million to date, much of which has been by the private sector.

Staircase House is located in the heart of Stockport's historic market place. The building is a Grade II* listed medieval town house dating back to around 1460 and has been carefully restored following a fire in 1995. It now functions as the Tourist Information Centre and Stockport Story Museum of local history, attracting around 9,000 visitors per annum. The restoration process was completed in 2005, supported by around £2.3 million from the Heritage Lottery Fund and a further £1.2 million from other public sector partners, including English Heritage.

Adjacent to Staircase House is the Covered Market Hall. The Hall had fallen into a poor state of repair and, internally, it had lost much of its original Victorian character. The restoration and repair of the external envelope of the historic Hall and its interior was completed in 2008, using around £1 million of from the Heritage Lottery Fund and £0.8 million of Council funding. Careful restoration and redecoration of the structure has rejuvenated the original design, creating a striking interior.

A new community and events space has been created within the Market Hall and accessibility has been improved to encourage greater use of the building by traders, customers and the public. The project has succeeded in maintaining the character of the building, while vastly improving the facilities provided, encouraging new businesses to the area and increased footfall.

Together, the renovation of both Staircase House and the Covered Market Hall have played a central role in creating a distinctive area of the town centre, that capitalises on its heritage assets and reinforces its unique historic environment. Business confidence has been enhanced and, along with the wider investments in the Market and Underbanks area, the two projects have significantly improved the physical appearance of the area, making it a more attractive place to live, work and visit.

Staircase House before

Staircase House after

Covered Market Hall before

Covered Market Hall after

Photos reproduced with permission of Stockport Council

Restoration of Stourport Canal Basins

The Stourport Canal Basins lie at the historic heart of Stourport-on-Severn, in the central part of the town. They consist of five historic canal basins, home to nearly 100 narrow boats and yachts, and one re-opened basin, along with five canal locks and a dry dock, located on the bank of the River Severn. The decline of waterborne commerce in the 20th century saw a corresponding decline in the town's fortunes and, as a consequence, there was a long period of underinvestment in the canal infrastructure, although the Canal Basins have remained largely intact.

The restoration of the Stourport Canal Basins began in 2004, involving a partnership between British Waterways and a number of key stakeholders, including Advantage West Midlands, Worcestershire County Council, Wyre Forest District Council, English Heritage and the Heritage Lottery Fund. The main aim of the project was to restore and enhance the historic Canal Basins, as part of bringing vitality back to Stourport, with the wider objectives being:

- to conserve, enhance and promote the built heritage and environmental assets of the foremost inland port in the UK;
- to create an environment in which a visit to the waterways is an educational and interpretative experience of the canal history and environment;
- to increase local ownership and participation;
- to use the Canal Basins as a catalyst to stimulate sustainable economic regeneration in Stourport and the surrounding area;
- to achieve high levels of public accessibility for all; and
- to sustain harmony between environmental, heritage and recreational uses.

By 2008 the Canal Basins had been restored, over a four year period, involving £3.3 million of public sector investment, principally funded by British Waterways, the Heritage Lottery Fund and Advantage West Midlands, along with other key partners.

Overall, the project, chosen by the public as winner of the 2009 national UK Lottery funded projects heritage category award, has regenerated an area encompassing 29 listed buildings and/or important structures and opened up three new gateways into the site, helping to attract more local residents and visitors. The physical elements of the restoration work have included faithful traditional construction techniques, removal of unsympathetic modern additions and the introduction of new high-quality contemporary features.

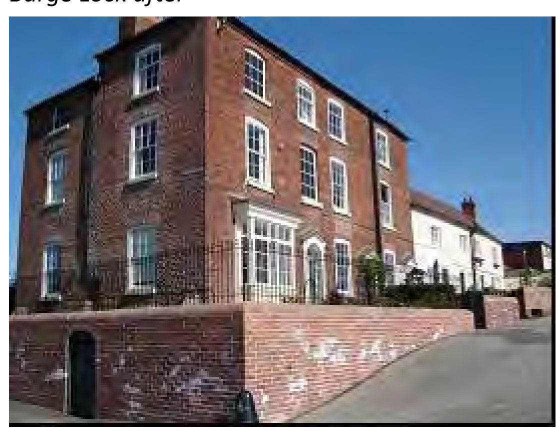
In addition, there has been significant community involvement in the project, with a range of community based interpretative initiatives and events, volunteer activities, education trails and skills development opportunities. New public realm has also been provided, along with a new cafe/restaurant/heritage room.

It is estimated that the number of visitors to the Canal Basins has increased from 225,000 per annum prior to the project to 375,000 following the restoration works. Through the improvements to the area and attraction of additional visitors, the project is considered to have acted as a catalyst for Stourport's wider regeneration plans. A number of neighbouring projects started during the lifetime of the project and the renovation works have helped to attract new investment and economic activity. At the same time, the town's unique character has been maintained and enhanced.

Barge Lock before

Barge Lock after

House in Severnside before



House in Severnside after

Photos reproduced with permission of British Waterways

West Auckland Partnership Schemes in Conservation Areas

The village of West Auckland is a former mining village, nestled in the Wear Valley within County Durham. Within the centre of the village is an attractive mix of historic buildings dating predominantly from the 17th, 18th and early 19th centuries, surrounding a large, oval shaped village green, dating back to the 12th century. The buildings include a Grade II* listed building called The Old Hall and a Grade I listed Jacobean building that is now a hotel and country club. The village green and surrounding buildings form the focus of the West Auckland Conservation Area.

A Conservation Area Partnership Scheme between the Council and English Heritage was initiated in 2007, which has resulted in a significant improvement in the quality of the historic environment within the village. The scheme has involved a number of aspects, including a Historic Building and Shop Fronts Grant Scheme, public realm improvements and Conservation Area character appraisal and management proposals.

In addition, as part of the scheme, an Article 4 (2) Direction was declared in February 2009. This Direction covers traditional properties within the historic centre of the village and requires consent to be sought for changes to windows, doors, roofs, chimneys and other historic features. The Direction was introduced to prevent any further erosion of the character and appearance of the West Auckland Conservation Area.

The overall cost of the scheme has thus far amounted to around £740,000 (£450,000 for the Historic Buildings and Shop Fronts Scheme, £210,000 for public realm improvements and £80,000 for a Conservation/Project Officer), with £540,000 being provided through a range of public sector funders, including Durham County Council, Wear Valley District Council, West Auckland Parish Council and English Heritage. Private sector funding has amounted to around £200,000. The final phase of the Historic Buildings and Shop Fronts Grant Scheme is due to be completed by the end of March 2011.

The main aims of the Conservation Area Partnership Scheme have been:

- the enhancement of the West Auckland Conservation Area;
- conservation led regeneration of the built environment and public realm, including the retention of existing businesses and the creation of new businesses; and
- the repair and reinstatement of the built environment's historic fabric.

The direct benefits of the project have included three small retail units being brought back into active use and two businesses being saved. A new café has also been created, called the Sir Thomas' Tea Room, with tourist accommodation provided above and improvements have been made to the public realm. Overall it is considered that the scheme has helped to enhance the quality of the historic environment, improving the image of the village and making it a more attractive place to live, work and visit.

English Heritage

Impact of Historic Environment Regeneration

Appendix C: Technical appendix

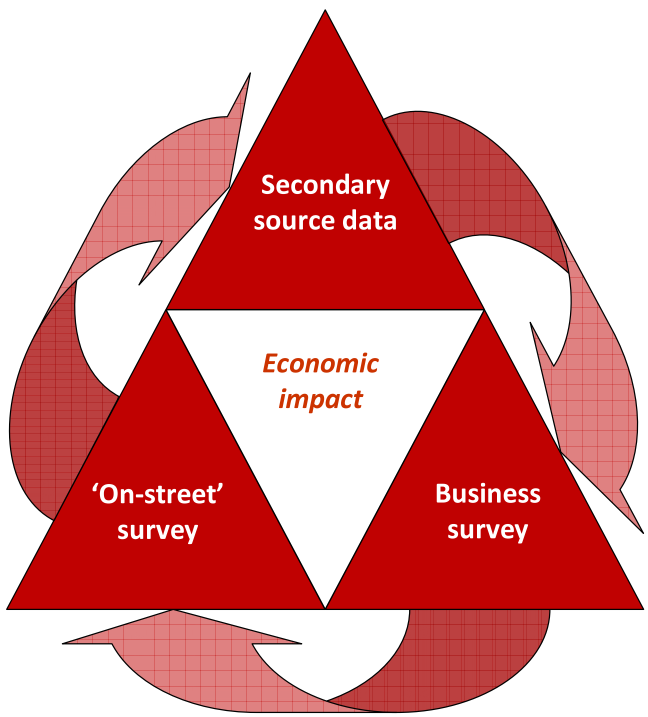
Contents

Appendix C – Technical appendix

Introduction

This appendix sets out a technical description of the assumptions underpinnings the assessment of the economic benefits of historic environment regeneration. An estimate of economic impact has been calculated separately on the basis an 'on-street' survey, a business survey and secondary source data obtained through the key stakeholder survey (see Figure C.1). The use of three different approaches has been adopted to address the limitations of the existing evidence base, to account for the possibility of bias and to provide greater confidence in the results.

Figure C.1: Economic impact analysis



The analysis has focused on the impact of a number of selected case studies, as described in Section 2 of the main report. For each case study, the impact of historic environment regeneration has been assessed in terms of business turnover, Gross Value Added (GVA) and employment. Therefore, the study is principally concerned with the 'spin-off' economic (and social) benefits of improvements to the historic environment, not the intrinsic value of the historic environment itself.

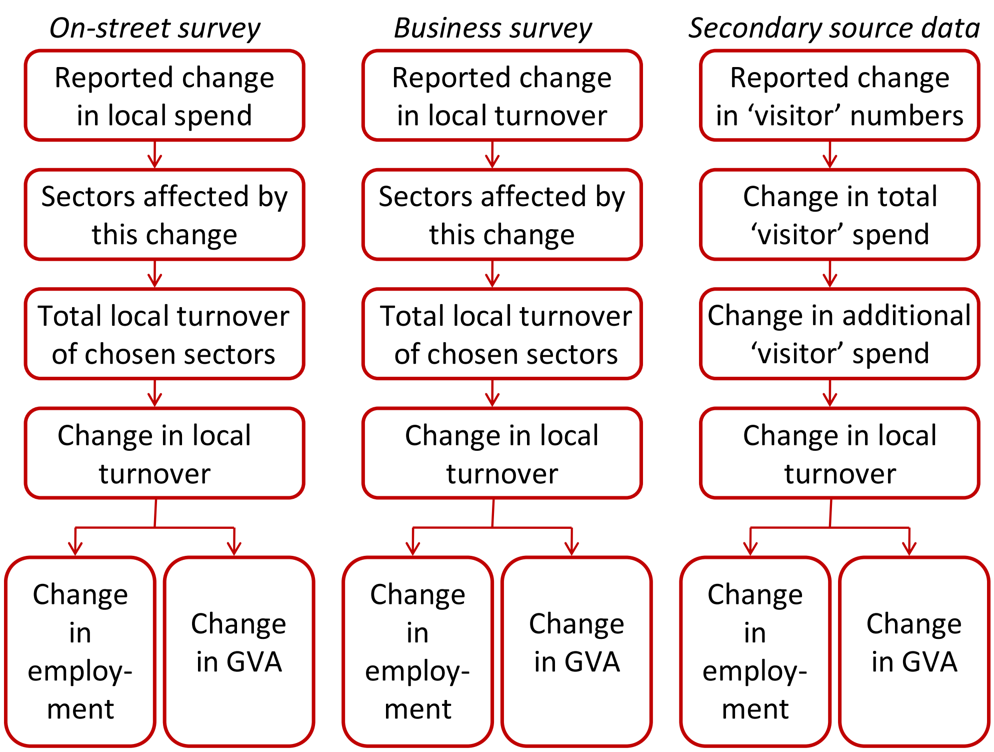
A summary of the approach to the assessment of the economic benefits of historic environment regeneration is set out below, along with the information and assumptions used to support the analysis under each of the three strands of assessment. In addition, the results of the impact analysis are described for each case study in terms of the overall estimated cumulative impact.

Summary of approach

Overview

The approach used to assess the economic benefits of historic environment regeneration based on the 'on-street' survey, business survey and secondary source data is summarised in Figure C.2. Under each strand of assessment, the analysis has focused on determining the change in local turnover, change in employment and change in GVA that can be attributed to improvements in the historic environment.

Figure C.2: Assessment of economic benefits



In terms of the 'on-street' survey, the analysis has used reported changes in expenditure by local residents, workers and visitors to determine how the turnover of local businesses will have been affected by historic environment regeneration. Assumptions with regard to the industry sectors affected by this change, the likely area of impact and the persistence of the benefits created have then been used to form an estimate of the overall cumulative impact within the local economy.

A similar approach has been applied using the results of the business survey. Local businesses were asked directly how the improvements to the historic environment have affected their turnover. The reported impact on turnover has then been 'grossed-up' to derive a cumulative impact for the local economy as a whole on the basis of the assumed area of change, affected industry sectors and persistence of benefits.

In addition, for two of the case studies (the Staircase House and Covered Market Hall project in Stockport, and the restoration of the Stourport Canal Basins project) visitor information has been available allowing an assessment of secondary source data to be carried out. This has focused on the reported change in visitor numbers following the improvements to the historic environment and resultant increase in visitor spend. A cumulative impact has been estimated based on the assumed persistence of benefits.

It is important to note that the results derived from each strand of assessment should not be added together. Rather, they are separate methods of estimating the same impacts. Moreover, the estimates of impact should not be expected to be exactly the same given the different approaches adopted with each strand of assessment.

Identifying the additional impact

One of the main challenges in assessing the impact of an intervention is extracting its influence from the other influences likely to have affected an area, such as wider economic conditions. This requires an assessment of the likely consequences of a project (which will not necessarily all be positive) and the extra benefits it will achieve compared with the likely effect if no intervention had taken place.

Additionality is the term used for the process whereby the additional effect of a proposed project is determined and is defined as *'the extent to which activity takes place at all, on a larger scale, earlier or within a specific designated area or target group as a result of the intervention'*. In order to assess the additionality of historic environment regeneration, the following factors will need to be considered:

- deadweight – outputs which would have occurred without the project;
- leakage – the proportion of outputs that benefit those outside of the project's target or reference area;
- displacement[1] – the proportion of project outputs accounted for by reduced outputs elsewhere in the target area. Displacement may occur in both the factor and product markets; and
- multiplier effects[2] – further economic activity associated with additional local income and local supplier purchases.

[1] Product market displacement arises where the output of a supported activity takes market share from local firms producing the same good or service. In the case of factor market displacement a support activity uses locally scarce factors of production (e.g. skilled labour or land) or bids up factor prices.

[2] For analytical purposes two types of multiplier can be identified:

- a supply linkage multiplier - due to purchases made as a result of the project and further purchases associated with linked firms along the supply chain.
- an income multiplier - associated with local expenditure as a result of those who derive incomes from the direct and supply linkage impacts of the project.

A number of impact studies have also identified a longer-term development multiplier associated with the retention of expenditure and population in an area.

The approach to assessing the net additional impact of historic environment regeneration, taking into account the above adjustments, is shown diagrammatically in Figure C.3.

Figure C.3: Identifying the net additional impact

Gross attributable effects

Less

Deadweight
in essence, what would have happened anyway without the intervention

Less

Leakage
the benefits 'leaking' outside of the target area

Less

Displacement
the benefits accruing to one business or individual at the expense of another

Plus

Multiplier effects (income and supplier)
the benefits associated with additional spend by employees and businesses

Equals

Net additional attributable effects

The sections below describe how allowances have been made for each of the above additionality factors in relation to the assessment of the benefits of historic environment regeneration. Where possible, evidence has been used from the primary research undertaken as part of this study. However, reference has also been made to secondary source data, such as that contained in the *Additionality Guide*[3].

Area of analysis

The extent of additionality will vary depending on the area of analysis at which the impacts are assessed. For instance, at a larger spatial scale the displacement and multiplier effects are likely to be greater, whereas leakage will be lower. It is therefore important to be clear as to the spatial level at which the assessment of the benefits of historic environment regeneration has been carried out.

Historic environment regeneration is, in the main, concerned with the renovation and renewal of specific, localised geographical areas. The economic impact of improvements to the historic environment is principally realised through enhancements to the appearance and function of these local areas, as described within the main report. As such, the analysis of economic impact

[3] English Partnerships (2008), *Additionality Guide: A standard approach for assessing the additional impact of interventions*.

has been undertaken at the local level, although consideration has also been to the scale of impact at wider spatial areas.

Table C.1 identifies the respective local areas of analysis for each of the five main case studies. The project area, within which the 'on-street' and business surveys were carried out, is also shown for each case study.

Table C.1: Area of analysis

Case study	Project area	Local area
Aylsham HERS	Aylsham Town Centre	Aylsham
Regent Quarter, Kings Cross	Regent Quarter	Kings Cross
Sheffield CIQ THI	Sheffield CIQ	Sheffield
Staircase House & Covered Market Hall	Market & Underbanks Area	Stockport
Stourport Canal Basins	Canal Basins area	Stourport

'On-street' survey

The 'on-street' survey was targeted at local residents, workers and visitors, and involved face-to-face interviews with around 1,000 people, encompassing five case study areas (see Table C.2). The survey asked questions about individuals' perceptions of the project, its impact on the local area and the extent to which the project has influenced their behaviour, principally in relation to the effect improvements to the historic environment have had on their spending patterns.

Table C.2: 'On-street' survey – number of people surveyed

Case study	Local residents / workers	Visitors*	Total
Aylsham HERS	186 (92%)	15 (8%)	201
Regent Quarter, Kings Cross	162 (81%)	38 (19%)	200
Sheffield CIQ THI	191 (95%)	9 (5%)	200
Staircase House & Covered Market Hall	193 (98%)	4 (2%)	197
Stourport Canal Basins	106 (70%)	45 (30%)	151

*Visitors were classed as those people who did not work or live within the local area

The results of the 'on-street' survey have been used to estimate the change in expenditure that has occurred as a result of each of the five case studies. This has involved the following stages of analysis:

- *Step 1: determine the average spend of local residents, workers and visitors within the project area* – based on the responses to the 'on-street survey, an average spend figure has been calculated for residents and workers and for visitors, as shown in Table C.3. Where the number of visitor responses for a case study was 5% or less, it has been decided not to include visitors as part of the analysis, due to the small sample size.

Table C.3: 'On-street' survey – average spend within the project area		
Case study	**Local residents/workers (spend per week)**	**Visitors (spend per day)**
Aylsham HERS	£58	£47
Regent Quarter, Kings Cross	£94	£141
Sheffield CIQ THI	£49	-
Staircase House & Covered Market Hall	£47	-
Stourport Canal Basins	£40	£41

- *Step 2a: calculate the proportion of spend attributable to improvements in the historic environment for local residents and workers* – in order to allow for the fact that the majority of spend would still occur even in the absence of the project (i.e. deadweight), the survey asked local residents and workers whether they spend more or less within the project area since the improvements to the historic environment.

  The responses from the interviewees have been collated to derive an estimate of the proportion of expenditure by local residents and workers within the project area that can be attributed to historic environment regeneration (see Table C.4).

Table C.4: 'On-street' survey – proportion of spend by local residents and workers attributable to historic environment regeneration	
Case study	**Attributable expenditure**
Aylsham HERS	0.7%
Regent Quarter, Kings Cross	3.2%
Sheffield CIQ THI	2.9%
Staircase House & Covered Market Hall	2.9%
Stourport Canal Basins	2.0%

- *Step 2b: calculate the proportion of spend attributable to improvements in the historic environment for visitors* – again, it is expected that much of the spend by visitors would still occur even in the absence of the project (i.e. deadweight). Therefore, to allow for this, the 'on-street' survey sought to determine the extent to which the improvements to the historic environment have influenced people's decision to visit.

  For those visitors who responded that the project influenced their decision to visit 'a great deal', all of their spend has been considered to be as a result of the historic environment improvements, whilst for those who responded that the project influenced their decision 'to some extent', half of their spend has been taken to be additional. The expenditure of all other respondents has been treated as deadweight.

  On the basis of the above assumptions, an 'influence factor' has been calculated for each case study, which has in turn been used as an estimate of the proportion of spend within the project area by visitors that can be attributed to the improvements in the historic environment. The 'influence factor' for each case study is shown in Table C.5.

Table C.5: 'On-street' survey – proportion of spend by visitors attributable to historic environment regeneration

Case study	Attributable expenditure
Aylsham HERS	6.7%
Regent Quarter, Kings Cross	0.0%
Sheffield CIQ THI	-
Staircase House & Covered Market Hall	-
Stourport Canal Basins	7.8%

- *Step 3: adjust for the displacement of expenditure from elsewhere within the local area* – where the spend of local residents and workers within the project area has increased as a result of improvements in the historic environment, it is likely that some of this spend has been displaced from elsewhere within the local area. The 'on-street' survey therefore explicitly asked where people spent their money before the project.

  From the responses to the survey, a displacement factor has been estimated for each case study. This has been used to calculate the net change in expenditure by local residents and workers that can be attributed to historic environment regeneration (see Table C.6).

Table C.6: 'On-street' survey – net change in spend by local residents and workers attributable to historic environment regeneration

Case study	Displacement	Net attributable expenditure
Aylsham HERS	66%	0.2%
Regent Quarter, Kings Cross	45%	1.8%
Sheffield CIQ THI	53%	1.4%
Staircase House & Covered Market Hall	46%	1.6%
Stourport Canal Basins	37%	1.2%

In terms of the expenditure of visitors, an implicit allowance has already been made for displacement by only taking account of those visitors who would not have otherwise come to the area. The net change in expenditure of visitors that can be attributed to historic environment regeneration is therefore as set out in Table C.6 above.

- *Step 4: calculate the average net change in expenditure of local residents, workers and visitors* – based on the proportion of interviewees who were local residents and workers, compared to visitors, as well the respective average spend for each group of respondents, an overall average net change in expenditure has been estimated from the results of the 'on-street' survey (see Table C.7).

Table C.7: 'On-street' survey – average net change in spend by local residents, workers and visitors attributable to historic environment regeneration	
Case study	**Average net attributable expenditure**
Aylsham HERS	2.4%
Regent Quarter, Kings Cross	0.5%
Sheffield CIQ THI	1.4%
Staircase House & Covered Market Hall	1.6%
Stourport Canal Basins	6.2%

- *Step 5: allow for further economic activity associated with additional local income and local supplier purchases (multiplier effects)* – the increase in spend attributable to the improvements in the historic environment is likely to generate a number of multiplier effects. From the responses to the business survey, it has not been possible to estimate what the scale of these effects might be. Consequently, reference has been made to benchmark figures.

  The Additionality Guide sets out benchmark values for multiplier effects at the neighbourhood and regional level.[4] At the neighbourhood level, an average multiplier effect is assumed to be 1.1. For want of more specific information, a multiplier of 1.1 has therefore been applied to the five case studies in order to calculate the total average net change in expenditure, as shown in Table C.8.

Table C.8: 'On-street' survey – total average net change in spend by local residents, workers and visitors attributable to historic environment regeneration		
Case study	**Multiplier effect**	**Total average net attributable expenditure**
Aylsham HERS	1.1	2.5%
Regent Quarter, Kings Cross	1.1	0.6%
Sheffield CIQ THI	1.1	1.5%
Staircase House & Covered Market Hall	1.1	1.7%
Stourport Canal Basins	1.1	6.8%

- *Step 6: calculate the annual impact on local business turnover* – the estimated average net change in spend figures set out in Table C.9 can be seen as representative of people who come to the defined project area, whether it is to shop, work or visit. However, these figures cannot be applied to all local residents and workers and visitors to the local area,

[4] English Partnerships (2008), *Additionality Guide: A standard approach for assessing the additional impact of interventions*.

as many of these people will not, generally, come to the project area in which the survey has been undertaken. [5]

Therefore, the average net change in spend figures derived from the 'on-street' survey have been used as a proxy measure for the increase in turnover of businesses situated within the project area. Given that this impact is driven off spend on consumer goods and services, only the turnover of businesses within the retail, leisure and hospitality sectors is likely to have been affected.

The total affected turnover within the project area of each case study has been estimated based on the number of employees within the retail, leisure and hospitality sectors and an average turnover per employee figure for each sector.[6] The average net change in spend figures have then been applied to total turnover within each area to obtain an estimate of the annual impact on local business turnover (see Table C.9).

Table C.9: 'On-street' survey – total net annual impact on local business turnover attributable to historic environment regeneration

Case study	Total annual business turnover within project area of affected sectors	Net attributable annual business turnover
Aylsham HERS	£30.8m	£0.8m
Regent Quarter, Kings Cross	£210.5m	£1.3m
Sheffield CIQ THI	£73.5m	£1.1m
Staircase House & Covered Market Hall	£72.6m	£1.2m
Stourport Canal Basins	£65.6m	£4.5m

Business survey

The business survey combined the use of face-to-face and telephone interviews to question over 120 firms across the five main case study areas (see Table C.10). The survey sought to determine the views of local businesses in relation to the impact improvements to the historic environment have had on their performance and the local area more generally. The survey focused on businesses within the immediate locality of each project.

[5] For example, it is likely that the majority of people living or working in Sheffield will not, on the whole, spend any money within the Sheffield CIQ. Therefore, to apply the average net change in spend of 1.5% to all residents and workers in Sheffield would significantly overestimate the impact of the scheme.
[6] The level of employment within the respective project areas has been calculated using project specific floorspace data and information from the Annual Business Inquiry (ABI). The ABI has also been used to calculate average turnover per employee figures for the retail, leisure and hospitality sectors.

Table C.10: Business survey – number of businesses surveyed	
Case study	**Number of local businesses surveyed**
Aylsham HERS	22
Regent Quarter, Kings Cross	25
Sheffield CIQ THI	25
Staircase House & Covered Market Hall	25
Stourport Canal Basins	25

The results of the business survey have been used to derive an estimate of the impact improvements to the historic environment have had on local business turnover, under each of the five case studies. This has involved the following stages of analysis:

- *Step 1: calculate the proportion of turnover attributable to improvements in the historic environment* – the business survey asked local firms what impact improvements to the historic environment have had on their turnover. This has enabled deadweight to be deducted (the turnover that would have been achieved anyway even in the absence of historic environment regeneration).

  The responses from the business survey for each case study have been collated to determine an estimate of the proportion of business turnover within the respective project areas that can be attributed to the improvements to the historic environment. The attributable turnover for each of the five main case studies is outlined in Table C.11.

Table C.11: Business survey – proportion of business turnover attributable to historic environment regeneration	
Case study	**Attributable turnover**
Aylsham HERS	1.2%
Regent Quarter, Kings Cross	2.2%
Sheffield CIQ THI	3.0%
Staircase House & Covered Market Hall	3.0%
Stourport Canal Basins	0.4%

- *Step 2: adjust for the displacement of turnover from other businesses within the local area* – where the turnover of businesses within the project area has increased as a result of improvements to the historic environment, it is likely that some of this has been at the expense of businesses situated elsewhere within the local area. The business survey sought to estimate the level of this displacement by asking where firms' competitors were located.

  From the results of the business survey, a displacement factor has been derived for each case study. This has been used to calculate the net change in turnover of businesses within the project area that can be attributed to historic environment regeneration (see Table C.12).

Table C.12: Business survey – net change in business turnover attributable to historic environment regeneration		
Case study	**Displacement**	**Net attributable turnover**
Aylsham HERS	12%	1.1%
Regent Quarter, Kings Cross	20%	1.8%
Sheffield CIQ THI	67%	1.0%
Staircase House & Covered Market Hall	55%	1.3%
Stourport Canal Basins	59%	0.2%

- *Step 3: allow for further economic activity associated with additional local income and local supplier purchases (multiplier effects)* – the increase in business turnover attributable to the improvements in the historic environment is likely to generate a number of multiplier effects. However, as discussed above, the responses to the business survey were not sufficient to calculate the scale of this impact.

  Benchmark figures from the Additionality Guide have again therefore been used to allow for multiplier effects, as shown in Table C.13. An average multiplier of 1.1 has been applied to each case study in order to derive the total net change in business turnover that can be attributed to historic environment regeneration.

Table C.13: Business survey – total net change in business turnover attributable to historic environment regeneration		
Case study	**Multiplier effect**	**Total net attributable turnover**
Aylsham HERS	1.1	1.2%
Regent Quarter, Kings Cross	1.1	1.9%
Sheffield CIQ THI	1.1	1.1%
Staircase House & Covered Market Hall	1.1	1.5%
Stourport Canal Basins	1.1	0.2%

- *Step 6: calculate the annual impact on local business turnover* – the net attributable change in turnover figures outlined in Table C.13 have been applied to the total turnover of relevant sectors within the project areas of each case study. For all of the case studies, apart from Sheffield CIQ, the business survey indicated that the affected sectors were again the retail, leisure and hospitality sectors. The total turnover figures are therefore the same as those assumed for the 'on-street' survey.

  In terms of the Sheffield CIQ case study, the responses to the business survey suggested that some creative industry firms (for example, media businesses) had experienced a positive impact on business turnover as a result of improvements to the historic environment. This has been reflected in the total turnover figure applied to the Sheffield

CIQ project area. The estimated annual impact on local business turnover for all five case studies is set out in Table C.14.

Table C.14: Business survey – total net annual impact on local business turnover attributable to historic environment regeneration		
Case study	**Total annual business turnover within project area of affected sectors**	**Net attributable annual business turnover**
Aylsham HERS	£30.8m	£0.4m
Regent Quarter, Kings Cross	£210.5m	£4.0m
Sheffield CIQ THI	£112.8m	£1.2m
Staircase House & Covered Market Hall	£72.6m	£1.1m
Stourport Canal Basins	£65.6m	£0.1m

Secondary source data assessment

In terms of the analysis of economic benefits, the secondary source data assessment has involved an examination of visitor information to determine the impact of historic environment regeneration on visitor spend. Of the five main case studies, data in relation to visitor numbers has only been available for two of the projects, namely the Staircase House and Covered Market Hall project in Stockport and the restoration of the Stourport Canal Basins project. The information is summarised in Table C.15.

Table C.15: Secondary source data assessment – number of visits	
Case study	**Number of visits per annum***
Staircase House Covered Market	8,400 380,000
Stourport Canal Basins	375,000

*Based on 2009/10 figures

From the visitor information provided for the Staircase House and Covered Market Hall project and the Stourport Canal Basins project, estimates have been derived of the increase in visitor spend that can be attributed to improvements to the historic environment. This has in turn been used as a measure of the impact on local business turnover. The analysis has involved the following stages:

- *Step 1: estimate the proportion of visits attributable to local residents and workers and those attributable to visitors from outside of the local area* – the number of visits recorded for the Covered Market Hall and Stourport Canal Basins has been calculated from footfall data. As such, a proportion of these visits will have been from local residents and workers, as opposed to visitors from outside of the local area. In order to estimate the composition of visits, reference has been made to the results of the 'on-street' survey.

In relation to Stourport, 70% of those interviewed classed themselves as a local resident and/or worker. In comparison, for the Staircase House and Covered Market Hall project, 98% of respondents were local residents and/or workers. For purposes of this assessment, all visits to the Covered Market Hall have been assumed to be attributable to local residents and workers, and all visits to Staircase House have been attributed to visitors from outside of the local area. The composition of visits based on the above assumptions is set out in Table C.16.

Table C.16: Secondary source data assessment – composition of visits

Case study	Local residents and workers	Visitors	Total
Staircase House & Covered Market Hall	380,000	8,400	388,400
Stourport Canal Basins	263,245	111,755	375,000

- *Step 2: calculate the number of additional visits that can be attributed to historic environment regeneration* – for each case study, many of the visits would still have occurred even in the absence of the project. In order to calculate the level of this deadweight, the number of visits prior to the implementation of the project has been deducted. This has provided an estimate of the number of visits attributable to improvements to the historic environment (see Table C.17).

Table C.17: Secondary source data assessment – number of visits attributable to historic environment regeneration

Case study	Visits per annum prior to improvements	Additional visits - total	Additional visits – local residents / workers	Additional visits – visitors
Staircase House	-	8,400	-	8,400
Covered Market	326,800	53,200	53,200	-
Stourport Canal Basins	225,000	150,000	105,000	45,000

- *Step 3: calculate the total spend generated by the additional visits* – the additional visits created as a result of improvement to the historic environment will have generated new spend within the local economy. The quantum of this impact has been estimated by applying an average spend per visit figure to the number of additional visits calculated for each case study (see Table C.18). This has involved using information from the 'on-street' survey and STEAM data.

  With regard to Stourport, based on the 'on-street' survey, an average spend per visit figure of £41 has been used for visitors compared to £11 for local residents and workers.[7]

[7] The average spend figure for local residents and workers reported by the 'on-street' survey was £40. However, this was over an entire week and a local resident or worker could make multiple visits over that week. A mid-point between visiting everyday and only once a week has been assumed (i.e. 3.5 times a week), providing an average spend per day figure of £11.

For the Staircase House and Covered Market Hall project, an average spend per visit figure of £13 has been derived from the 'on-street' survey in terms of local residents and workers.[8] There were insufficient responses to the survey to estimate an average spend for visitors, so STEAM data has been used to provide a figure of £46.

Table C.18: Secondary source data assessment – total spend from additional visits attributable to historic environment regeneration

Case study	Average spend per visit	Total spend per annum
Staircase House & Covered Market Hall		
Local residents and workers	£13	£0.7m
Visitors	£46	£0.4m
Total	-	£1.1,
Stourport Canal Basins		
Local residents and workers	£11	£1.2,
Visitors	£41	£1.8m
Total	-	£3.0m

- *Step 4: adjust for the displacement of spend from elsewhere within the local area* – where spend from additional visits by local residents and workers to the project area has increased as a result of improvements to the historic environment, some of this will have been displaced from elsewhere within the local area. The displacement rates derived from the 'on-street' survey have been used to take this into account and calculate the net impact on spend, as shown in Table C.19.

  In terms of the expenditure of visitors, all visitors are, by definition, from outside of the local area and the allowance for deadweight has meant that only those who would not have come anyway have been included. Therefore, it is not expected that the total spend attributed to visitors will have displaced expenditure from elsewhere within the local area and, as such, a displacement rate of 0% has been assumed.

Table C.19: Secondary source data assessment – net spend from additional visits attributable to historic environment regeneration

Case study	Displacement	Net spend per annum
Staircase House & Covered Market Hall		
Local residents and workers	46%	£0.4m
Visitors	0%	£0.4m
Total	-	£0.8m
Stourport Canal Basins		
Local residents and workers	37%	£0.8m
Visitors	0%	£1.8m
Total	-	£2.6m

[8] Again this is based on dividing the reported spend per week figure of £47 by 3.5, in order to give an average spend per day figure of £13.

- *Step 5: allow for further economic activity associated with additional local income and local supplier purchases (multiplier effects)* – the increase in spend generated as a result of additional visits to the project area is likely to create a number of multiplier effects. Again, the average multiplier benchmark for local areas set out within the Additionality Guide has been applied to each case study (see Table C.20). This has provided an estimate of the total net additional impact in terms of visitor spend.

Table C.20: Secondary source data assessment – total net spend from additional visits attributable to historic environment regeneration		
Case study	**Multiplier effect**	**Total net spend per annum**
Staircase House & Covered Market Hall	1.1	£0.9m
Stourport Canal Basins	1.1	£2.9m

The assessed total net increase in spend from additional visits, generated as a result of improvements to the historic environment, is assumed to result directly in a corresponding increase in business turnover within the local area. The following section describes the approach applied to estimating the overall cumulative impact on business turnover, after allowing for the expected persistence of benefits.

Cumulative impact

Impact on business turnover

A cumulative impact on business turnover has been calculated, assuming that the benefits of the interventions last for ten years. This is consistent with the methodology applied within the 2009 PricewaterhouseCoopers's (PwC) review of Regional Development Agency (RDA) spending, undertaken on behalf of the then Department for Business, Enterprise and Regulatory Reform (BERR). The 'present value' of the cumulative impact on business turnover has then been estimated using a discount rate of 3.5%, as set out within HM Treasury's *Green Book*.

Table C.21 sets out the cumulative impact on business turnover for each case study, based on the three separate strands of assessment.

Table C.21: Cumulative ten year impact on turnover			
	'On-street' survey	**Business survey**	**Secondary source data**
Aylsham HERS	£6.6m	£3.2m	-
Regent Quarter, Kings Cross	£10.9m	£34.4m	-
Sheffield CIQ THI	£9.5m	£10.7m	-
Staircase House & Covered Market Hall	£10.6m	£9.4m	£7.3m
Stourport Canal Basins	£38.4m	£1.1m	£24.6m

In relation to the restoration of the Stourport Canal Basins, there is a discrepancy between the impact on turnover assessed using the results of the 'on-street' survey compared to when the results of the business survey are used. This might partly be explained by the fact issues were raised in the business survey about the disruption caused by the development, leading the firms interviewed to report a much lower impact.

In addition, a few firms reported that the Stourport project had diverted trade from their business. The 'on-street' survey implied that nearly 40% of the additional spend generated by the project is displaced from elsewhere in the local area. It is possible, given the small sample size used for the business survey (25 firms), that a disproportionate number of businesses adversely affected by the project were surveyed. This would suggest that the results of the business survey could underestimate the impact of the project.

There is also a relatively large difference between the impact estimated for the Regent Quarter case study under the 'on-street' survey compared to the business survey. To a degree, this is to be expected. In comparison with the other case studies, the 'on-street' survey for the Regent Quarter is likely to have included a large number of respondents who were travelling through the area, as opposed to visiting the Regent Quarter itself. The impact of the project on their spend is therefore likely to be lower as a result.

Impact on GVA

As well as the impact on turnover, the effect of historic environment regeneration under each of the case studies has been assessed in relation to GVA. The impact on local business turnover has been used to derive an estimate of GVA by applying an assumed GVA to turnover ratio of 0.3:1. This has been calculated on the basis of national ABI financial data for the retail, leisure and hospitality sectors.

Table C.22 sets out the cumulative ten year GVA impact under each of the case studies. Again, results have been reported based on the 'on-street' survey, business survey and assessment of secondary source data, where it has been possible to do so.

Table C.22: Cumulative ten year GVA impact

	'On-street' survey	Business survey	Secondary source data
Aylsham HERS	£2.0m	£1.0m	-
Regent Quarter, Kings Cross	£3.3m	£10.3m	-
Sheffield CIQ THI	£2.8m	£3.2m	-
Staircase House & Covered Market Hall	£3.2m	£2.8m	£2.2m
Stourport Canal Basins	£11.5m	£0.3m	£7.4m

Impact on employment

The impact on employment has, as with GVA, been derived from the estimated effect on business turnover. For each case study, an average turnover per employee figure has been calculated based on regional ABI financial data for the retail, leisure and hospitality sectors. This has then been applied to the estimated impact on local business turnover per annum. As the benefits are expected to last ten years, the jobs created have been treated as full-time equivalent employment.

The average turnover per employee figures used for each case study are as follows:

- Aylsham HERS – £83,700
- Regent Quarter, Kings Cross – £128,200
- Sheffield CIQ THI – £74,300
- Staircase House & Covered Market Hall – £76,500
- Stourport Canal Basins – £81,600

Table C.23 summarises the estimated employment impact under each of the case studies, based on the three separate strands of assessment.

Table C.23: Employment impact

	'On-street' survey	Business survey	Secondary source data
Aylsham HERS	9	4	-
Regent Quarter, Kings Cross	10	31	-
Sheffield CIQ THI	15	17	-
Staircase House & Covered Market Hall	16	14	12
Stourport Canal Basins	55	2	35

The employment figures set out in Table C.23 do not include a direct allowance for employment accommodated through the provision/redevelopment of commercial space. In part, this is to avoid double counting. A proportion of the direct employment accommodated under each case study will be dependent on the expenditure of local residents, workers and visitors generated as a result of improvements to the historic environment. This is already reflected in the above estimates of employment.

In addition, the assessment of economic benefits is **a marginal analysis of the impact of historic environment regeneration**. It does not seek to measure the full impact of each case study project, but looks to determine the additional effect that can be directly attributed to the improvements to the historic environment. Therefore, in order to be prudent, direct employment has been excluded from the analysis.

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